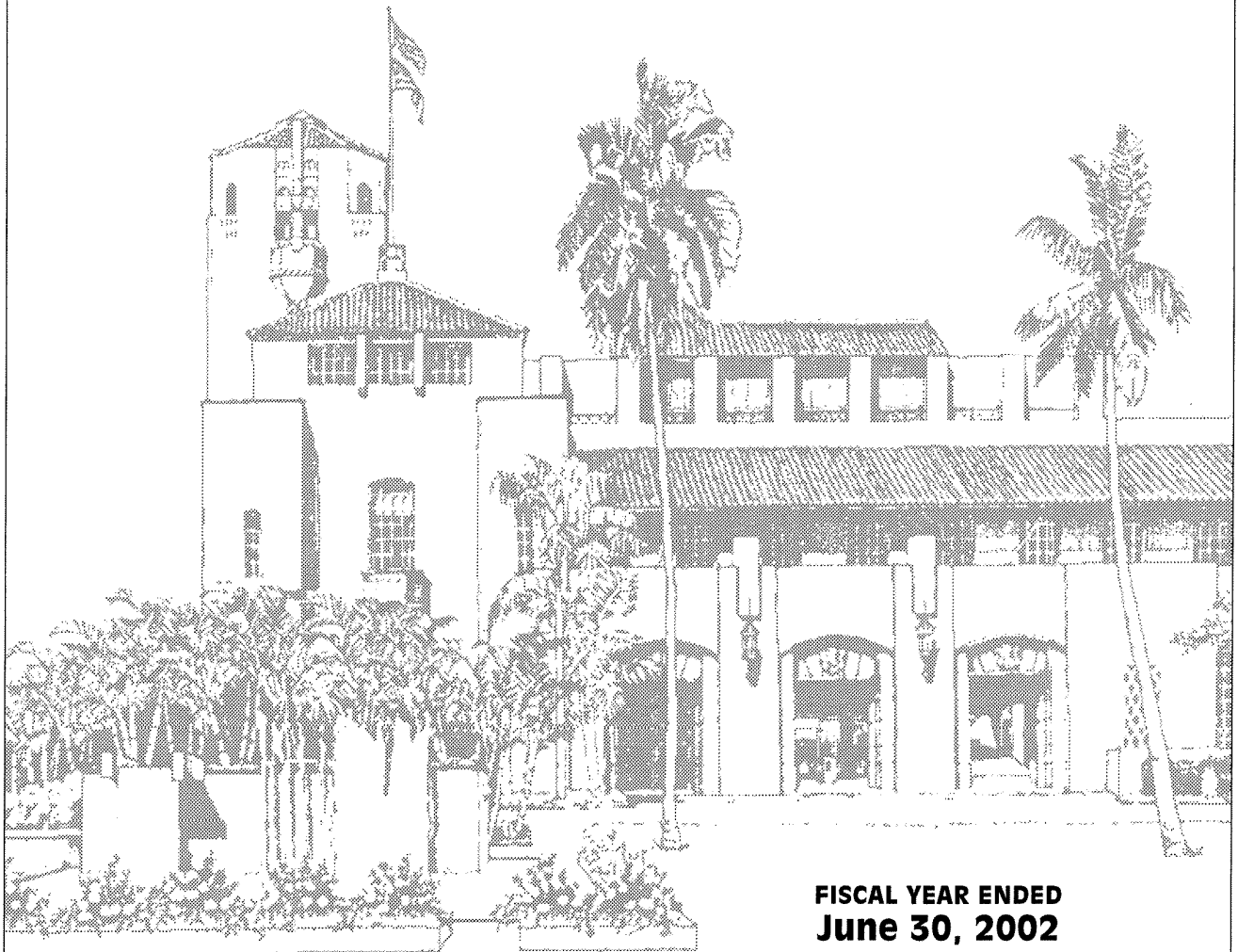
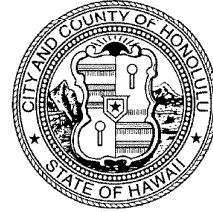


**CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII**

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# **Comprehensive Annual Financial Report**



**FISCAL YEAR ENDED  
June 30, 2002**



**JEREMY HARRIS, Mayor**  
City and County of Honolulu

**CITY AND COUNTY OF HONOLULU**  
**Comprehensive Annual Financial Report**  
**For The Fiscal Year Ended June 30, 2002**

Prepared by:  
**DEPARTMENT OF BUDGET AND FISCAL SERVICES**  
**IVAN M. LUI-KWAN**  
**DIRECTOR**

**CITY AND COUNTY OF HONOLULU  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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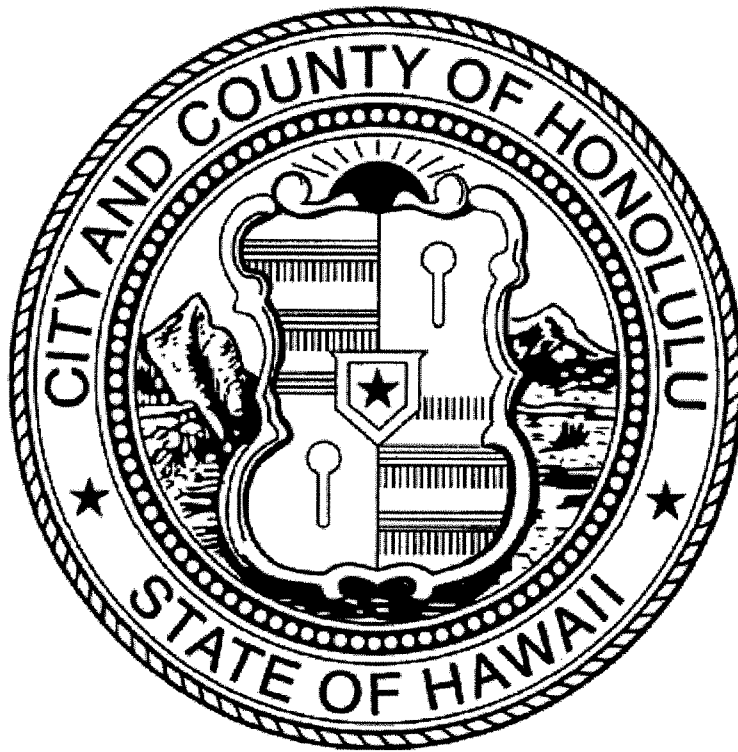
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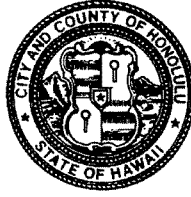


## INTRODUCTORY SECTION



DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
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JEREMY HARRIS  
MAYOR



IVAN M. LUI-KWAN  
DIRECTOR

CHRIS A. DIEBLING  
DEPUTY DIRECTOR

April 2, 2003

Honorable Mayor Jeremy Harris  
Honorable Gary H. Okino, Chair  
and Presiding Officer and  
Members of the City Council  
City and County of Honolulu  
Honolulu, Hawaii 96813

Dear Mayor and Members of the City Council:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City and County of Honolulu (City), State of Hawaii, for the fiscal year ended June 30, 2002. This report was prepared by the Department of Budget and Fiscal Services, which is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, are accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds of the City, its component units and its financial statements. The CAFR is organized into three sections:

- The Introductory Section is intended to familiarize the reader with the organizational structure of the City, the nature and scope of the services it provides, and specifics of its legal operating environment. This section is composed of this transmittal letter, the City government's organization chart and a list of elected officials.
- The Financial Section includes the audited basic financial statements, disclosure notes, required supplementary information, supporting statements and schedules necessary to fairly present financial position and the results of operations of the City in conformity with

generally accepted accounting principles, and the independent auditor's report on the basic financial statements. New this year is the narrative introduction, overview and analysis found in management's discussion and analysis (MD&A).

- The Statistical Section contains comprehensive statistical data on the City's financial, physical, economic, social and political characteristics.

## IMPROVED REPORTING

This year's CAFR contains improved financial reporting through the inclusion of significant additional information not previously available in local government financial statements. This new financial reporting model improves information available to financial statement users and our community.

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments", which revises the City's financial reporting requirements. Governments comparable in size to Honolulu are required to implement GASB Statement No. 34 for the fiscal year ended June 30, 2002. As a result of the City's implementation of GASB Statement No. 34, the information presented in this CAFR differs significantly from previous years. The major changes include:

- New government-wide financial statements are designed to provide readers with a broad overview of the City in a manner similar to a private sector business. The statements cover all of the City's activities (except fiduciary activities) and include the statement of net assets and the statement of activities. The statement of net assets reports what the City owns (assets), what it owes (liabilities) and what is left over after assets have been used to satisfy liabilities (net assets). The statement of activities reports the City's expenses and revenues as well as other changes in its net assets during the year.
- Fund financial statements report the finances of fund groups within the City's reporting entity – its governmental, proprietary and fiduciary funds and its discretely reported component unit. Reconciliations, which describe the adjustments necessary to reconcile the governmental funds financial statements with the governmental activities column of the government-wide financial statements, are included because the two types of statements measure the City's finances differently.
- Financial reporting of infrastructure assets previously was not required. Infrastructure assets currently are reflected in the government-wide statement of net assets and include the following: roads, bridges, sidewalks, curbs, gutters, storm drains, underground storage tanks, canals and boulder basins, bikeways, stream-lined channels, bus shelters, land improvement infrastructure, and equipment infrastructure.
- GASB Statement No. 34 establishes criteria to identify and report certain governmental funds and proprietary funds as major funds for presentation in the fund financial statements.

- The general fixed assets and the general long-term debt account groups no longer exist. The assets and liabilities previously reported in those account groups are reported in the government-wide statement.
- For the first time depreciation is recorded and presented for capital assets of the governmental activities similar to business type activities.
- Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement MD&A, and, therefore, should be read with it.

## REPORTING ENTITY

This report presents the financial status of the City (the primary government) and its component unit, the Board of Water Supply (BWS). The BWS is a discretely presented component unit and is reported in a separate column in the government-wide financial statements to emphasize the legal separation from the primary government and to differentiate the financial position and results of operations from those of the primary government.

The City provides the full range of municipal services required by the Constitution of the State of Hawaii, the Hawaii Revised Statutes, the Revised Charter of the City and County of Honolulu and the Revised Ordinances of Honolulu. The services include police and fire protection, emergency medical care services, culture and recreation, planning, zoning and permitting, sewage and solid waste collection and disposal, public mass transportation, housing, traffic safety and control, and construction and maintenance of public streets, roads, bridges, walkways, and drainage and flood control systems for the island of Oahu.

## ECONOMIC CONDITION AND OUTLOOK

The local economy has been resilient, slowly emerging from the dramatic downturn in the aftermath of the September 11, 2001 attack on America. Cautious optimism prevails that the economy will continue modest growth in spite of such uncertainties as the declining stock market, sluggish economies on the U.S. mainland and in Japan, war with Iraq, fear of renewed terrorism and crisis in the airlines industry. At the current rate of progress, some economists forecast the economy will achieve pre-attack levels by the second half of 2003 while some Waikiki hoteliers project recovery by 2005.

- The island's main industry, tourism, suffered precipitous drops in visitor arrivals and hotel occupancies immediately after the attack on America. To lure travelers, Waikiki resorts have been discounting room rates and offering a variety of perks. In addition, U.S. mainland visitors have been flocking to Hawaii and have been nursing the tourism sector back to economic health. For calendar year 2002, domestic visitor arrivals and length of stay inched up 1.4% and 2.2%, respectively. Conversely, international arrivals and length of stay dropped 2.7% and 4.8%, respectively, in comparison to 2001, primarily due to the sluggish Japanese market. Hotel occupancy increased 15.1% to 69.2%, average daily room rates rose 7.9% to \$107.43 and room revenue per available room jumped 38.1%

to \$74.34 for November 2002 in comparison to the same month the year earlier. On the other hand, comparisons of statistics for the year-to-date period through November for 2002 and 2001 indicate lags: hotel occupancy rose a slight 0.6% while room rates and room revenue slipped 5% and 4.2%, respectively.

- Although retailing receipts on Oahu decreased 1.3% to \$14.4 billion for fiscal year 2002 compared to the last fiscal year, September 2002 retailing receipts jumped 80.8% to \$1.6 billion compared to the same month in 2001.
- Contracting receipts increased 4.9% from \$2.8 billion for the fiscal year ended June 30, 2001 to \$3 billion for fiscal year 2002. For the three months ended September 30, 2002, contracting receipts rose 39.6% to \$922.6 million from \$661 million for the same quarter last year. Similarly, the number of building permits amounted to 19,575 with an estimated value of \$1.5 billion for fiscal year 2002 in comparison to 19,541 permits valued at \$1.4 billion for fiscal year 2001, representing an increase of 7.6% in value. For the six months ended December 31, 2002, the number of permits totaled 7,181 valued at \$638.1 million, representing increases of 7.2% in number and 40.8% in value.
- Fueled by the lowest interest rates in thirty years, the Oahu housing market continued to experience a significant upward trend in 2002. Total residential resales jumped 31.1% from the year earlier to \$2.6 billion, representing the highest number of resales since 1989. Additionally, median resale prices increased considerably in 2002, 11.7% for single-family homes and 14.3% for condominiums.

Assuming the current trend continues in the U. S. and international economies, the economic outlook for Oahu is positive: tourism is on the upswing, retail sales are gaining ground, housing construction is on the rebound and home resales are strong.

Sources:

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City and County of Honolulu, Department of Planning and Permitting, "Monthly Bulletin – Building Permits," <http://www.honoluludpp.org/calendar>.

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Laney, Dr. Leroy O., First Hawaiian Bank, "Economic Forecast," 2002-2003 Edition.

State of Hawaii, Department of Business, Economic Development & Tourism, <http://www.hawaii.gov/dbedt>.

State of Hawaii, Department of Taxation, <http://www.state.hi.us/tax/monthly>.

## **MAJOR INITIATIVES CAPITAL PROGRAM**

### **Current year**

The City's capital improvement budget for fiscal year 2002 totaled \$579.2 million an increase of 50.2% compared to the prior year. The focus of the capital budget program was to address the City's key initiatives to improve the quality of life for City residents, make the City safer, preserve the City's assets and environment, and make City government more effective through the use of technology.

### **General Government**

The capital improvement budget of \$78 million for the general government function represents an increase of 118.4% over the previous year. The following are the major general government projects: Procurement of Major Equipment (\$13 million), Telecommunications Projects (\$10 million), Relocation of Wastewater Field Services (\$6.7 million), Convention Center Development (\$6 million), Halawa Corporation Yard (\$4.1 million).

### **Public Safety**

Rising 384.2% in contrast to the prior year, public safety appropriations in the capital improvement budget totaled \$49.4 million. The major public safety projects include the Fire Department Headquarters (\$15.6 million), Traffic Calming Improvements (\$9 million), the Waianae Coast Alternate Route (\$5 million) and Traffic Improvements (\$4 million).

### **Highways and Streets**

For road and bikeway construction, the capital improvement budget designated \$74 million, a decrease of 9.9% compared to the previous year. Major highways and streets projects include Curb Ramps (\$9 million), Bikeway Projects (\$7 million), Salt Lake Boulevard Widening (\$4.8 million), Bus Stop Site Improvements (\$4.2 million), Street Improvements (\$4 million), Sidewalk Improvements (\$3.9 million) and Waikiki Improvements (\$3.8 million).

### **Sanitation**

In the capital improvement budget, the City provided \$184.8 million for wastewater projects, representing an increase of 80.7% over the prior year. The following are the major sewer projects for fiscal year 2002: Sand Island Wastewater Treatment Plant Disinfection Facility and Effluent Pump Station (\$53 million), Sand Island Wastewater Treatment Plant, Unit I, Phase 2A (\$52.7 million), Kalaheo Avenue Reconstructed Sewer (\$15.4 million), Hart Street Wastewater Pump Station Alternative (\$14 million), Laie Sewer Improvement District (\$6.6 million), and Ala Moana & Kapiolani Trunk Sewer Replacement/Rehabilitation (\$5 million).

### **Health and Human Services**

The capital improvement budget designated \$18.9 million for human services, 32.7% less than the previous year. The major human services projects include the Housing Partnership Program (\$4.2 million), Waipahu Community Adult Day Health Center and Youth Center (\$2.5 million) and ORI Anuenue Hale, Inc. (\$2 million).

### **Culture-Recreation**

For participant, spectator and other recreation projects, the capital improvement budget appropriated \$145.7 million, 40.2% more than the year earlier. Major projects include the

Central Oahu Regional Park Phase II (\$15.9 million), Pearl Harbor Historic Trail (\$9.7 million), Waipio Peninsula Recreation Complex (\$7.6 million), Kailua Park (\$6.1 million), Ewa Mahiko District Park (\$4.8 million), and City Beautification Program (\$4.7 million).

### **Transportation**

With \$28.4 million appropriated for mass transit, the capital improvement budget increased 31.7% compared to the previous year. Major public transit projects include the Middle Street Transit Center (\$9 million), the Bus Acquisition Program (\$6.2 million), the In-Town Bus Rapid Transit System (\$4.5 million) and the Islandwide Transit Centers (\$3.4 million).

### **For the Future**

The capital improvement budget for fiscal year 2003 continues to reflect the City's vision including recommendations from the Neighborhood Boards and participants of the Community Vision Process. Additional fiscal restraint was necessary for 2003 and the City responded by lowering the capital budget 21.3% in comparison to fiscal year 2002.

### **General Government**

The capital budget appropriations of \$36.5 million for the general government function declined 53.2% over the prior year. The capital improvement budget includes Procurement of Major Equipment (\$15 million), Telecommunications Facilities Upgrade (\$4.2 million), Energy Conservation Improvements (\$2.4 million), and Electronic Work Flow Systems (\$2.3 million).

### **Public Safety**

Similarly, the capital budget was lowered 36.9% to \$31.2 million for fiscal year 2003. The major public safety projects include the Police Training Academy Firing Range (\$6 million), Traffic Improvements (\$4.2 million), Traffic Calming Improvements (\$4.1 million), Waianae Coast Alternate Route (\$3.4 million) and Kapalama Incinerator Improvements (\$2.8 million).

### **Highways and Streets**

The capital improvement budget appropriated \$58.7 million for highways and streets, a decrease of 20.6% compared to the previous year. Major highways and streets projects include Curb Ramps (\$14 million), Rehabilitation of Streets (\$8.7 million), North-South Road/Park Row Roadway (\$5 million), Salt Lake Boulevard Widening (\$4.5 million), North Road Improvements (\$2.4 million) and King Street Improvements (\$2 million).

### **Sanitation**

For wastewater projects in the capital improvement budget, the City designated \$155.1 million, representing a decrease of 14.7% over the prior year. The following are the major sewer projects for fiscal year 2003: Sand Island Wastewater Treatment Plant, Unit I, Phase 2A (\$55.9 million), Sand Island Wastewater Treatment Plant Expansion, Primary Treatment (\$39 million), Ala Moana Wastewater Pump Station Modification (\$24.6 million), Project Management for Wastewater Projects (\$6.1 million), Kalaheo Avenue Reconstructed Sewer (\$5 million).

The capital budget for solid waste projects increased significantly to \$11.5 million, primarily for the H-POWER expansion (\$6 million) and the Recycling Technology Park (\$5.3 million).

### **Human Services**

Of the \$18.1 million in the capital improvement budget for human services, \$2 million was appropriated for the St. Francis Healthcare System Residential Care Community for the Elderly.

### **Culture-Recreation**

The City provided \$82.5 million for culture-recreation in the capital improvement budget, 43.4% less than the year earlier. Major parks projects include the Central Oahu Aquatics Center (\$6.1 million), Honolulu Zoo Discovery Center (\$6 million), Honolulu Zoo Veterinary Clinic (\$4 million), Tennis Complex (\$3.1 million), Golf Course Improvements (\$3 million), and both Koko Head District Park Renovations (\$2 million).

### **Transportation**

\$61.9 million was appropriated for mass transit, representing an increase in the capital improvement budget of 117.9% compared to the previous year. Major public transit projects include Bus Rapid Transit Iwilei to Waikiki Alignment (\$31.1 million), Bus Acquisition Program (\$15.2 million), Middle Street Transit Center (\$7.2 million) and High Tech Bus Pass (\$2.2 million).

## **FINANCIAL INFORMATION**

This year the Basic Financial Statements include two new government-wide financial statements, the Statement of Net Assets and the Statement of Activities. The government-wide financial statements present the City's financial statements in a more corporate style, e.g., by reporting depreciation and long-term debt. Additionally, the government-wide financial statements provide a big picture view of the City's financial condition and position.

The government-wide financial statements for the primary government are summarized and reported by governmental activities and business-type activities. The City's business-type activities are consolidated into a single column of the government-wide financial statements and include the proprietary funds of the primary government, specifically, housing, sewer, solid waste and the public transportation system.

The following is a brief description of the City's proprietary funds:

- The Housing Development Special Fund accounts for monies designated for the development of housing for sale or rental by the City.
- The Sewer Fund accounts for all monies received pursuant to provisions of the Federal Water Pollution Control Act amendments of 1972 and the Hawaii Revised Statutes and expended for the purposes authorized.
- The Solid Waste Special Fund accounts for all revenues derived from the operations of the City's Refuse Division, solid waste disposal program, glass recycling program and other recycling programs. All monies placed in this fund are maintained in separate accounts identified with and expended for the intended purposes.
- The Public Transportation System was created for the management, operation and

maintenance of the bus transportation system including the City bus system (TheBus) and the special transit service (The Handi-Van).

The government-wide financial statements include not only the City itself (known as the primary government), but also the Board of Water Supply (BWS). Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Another element of the Basic Financial Statements is the fund financial statements. These statements are designed to address the major individual funds by category (governmental, proprietary and fiduciary).

Financial analysis of the primary government is provided in the MD&A section of this report.

### **Internal Controls**

Establishing and maintaining the internal control system is the responsibility of City managers. Creating the internal control system requires estimates and judgments to assess the expected benefits and related costs of control procedures. The objective of an internal control system is to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and transactions are executed in accordance with management's authorization and are properly recorded to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Management must also develop adequate internal controls to ensure compliance with applicable laws and regulations related to federal and State financial assistance programs.

The internal control system is subject to periodic evaluation by the City's internal audit staff. We believe the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgetary Controls**

The City maintains budgetary controls to ensure that legal provisions of the annual budget are complied with and that expenditures do not exceed budgeted amounts. Controls are exercised by integrating the budgetary accounts in fund ledgers for all budgeted funds. An encumbrance system is also used to account for purchase orders and other contractual commitments. Encumbered balances of appropriations at year-end are reported as reservations of fund balance and are not reappropriated in the following year's budget.

### **Cash Management**

The primary objectives of the City's cash management and investment program are the safety and preservation of principal, liquidity, and yield. The City takes full advantage of temporarily idle cash and the scheduling of vendor payments. To ensure the most competitive rates on investments, the cash resources of the individual funds are combined to form a pool of cash and investments. The investment pool's portfolio is composed of obligations of the U.S. Government and its agencies, repurchase agreements fully collateralized by obligations of the U.S. Government or its agencies, time certificates of deposit, and mutual funds.



The average ratio of invested funds to available cash during the year was 95%. The City earned interest income during the year at an average rate of return of 2.89%.

### **Risk Management**

The risk management function was established under Section 2-5 of the Revised Ordinances of Honolulu requiring the creation of a risk management program to identify and control the City's exposures to liability. The program covers all City departments and agencies except the Board of Water Supply and Oahu Transit Services. Risk management activities have focused on insurance and self-insurance to minimize the adverse financial impacts of liability losses, claims management, loss prevention and other areas. The City employs a Risk Manager and an Insurance and Claims Assistant, both full-time.

The City relies on a combination of commercial insurance and self-insurance to finance its losses. Since 2000, the commercial insurance marketplace experienced continued hardening with premium rates increasing across all lines of business. After the September 11, 2001 attack on America, the insurance industry imposed even greater rate increases and coverage curtailments. The City avoided most of these increases as its insurance programs are renewed in July and many are multi-year, fixed premium policies expiring in June 2003. While most liability programs remained stable, premium rates for the City's master property insurance program rose 24%, considered a modest increase in comparison to current industry experience.

The City's net premium cost for fiscal year 2002 amounted to \$3.8 million, up 14.2% over the prior year. Most of the increase can be attributed to the Master Property Insurance program, covering \$1.6 billion in total insured values. Also, premium costs arose from the purchase of another helicopter by the Honolulu Fire Department.

With the numerator as the aggregate cost of commercial insurance premiums plus projected self-insured losses and related expenses excluding workers compensation and the denominator as the operating budget per thousand, the Total Cost of Risk for the City increased for fiscal year 2002.

The following is the City's risk management data (in millions) for the past five years:

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Commercial Insurance Premiums	\$4.1	\$3.7	\$3.2	\$3.5	\$3.8
Projected Self-Insured Losses	<u>2.8</u>	<u>3.0</u>	<u>2.2</u>	<u>2.0</u>	<u>3.3</u>
Total Risk Management Cost	<u>\$6.9</u>	<u>\$6.9</u>	<u>\$5.4</u>	<u>\$5.5</u>	<u>\$7.1</u>
Total Cost of Risk (per \$1,000)	\$6.71	\$6.39	\$5.37	\$5.38	\$6.35

Analysis of loss data indicates the most frequent causes of loss as follows:

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Motor Vehicle Related	35%	27%	36%
Towing Operations	10%	8%	13%
Sidewalk Conditions	6%	4%	7%
Tree-Related	5%	3%	6%

## **OTHER INFORMATION**

### **Independent Audit**

Section 3-114 of the City Charter requires an annual financial audit by independent certified public accountants. The accounting firm of PricewaterhouseCoopers LLP was selected by the City Council to perform the audit. The auditor's report is included in the financial section of this report. PricewaterhouseCoopers also was selected by the Board of Directors of the Board of Water Supply for the audit of their financial statements.

### **Awards**

The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award 15 of the last 16 years. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the past 3 years. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

### **Acknowledgments**

I am deeply grateful for the efforts of the Accounting Division personnel who contributed to the preparation of this report. In addition, I am sincerely thankful for the assistance of the various other City employees who assisted in the issuance of this report. Finally, my heartfelt appreciation is extended to the Mayor, City Council and department heads for their leadership and support in maintaining the City's sound financial position.

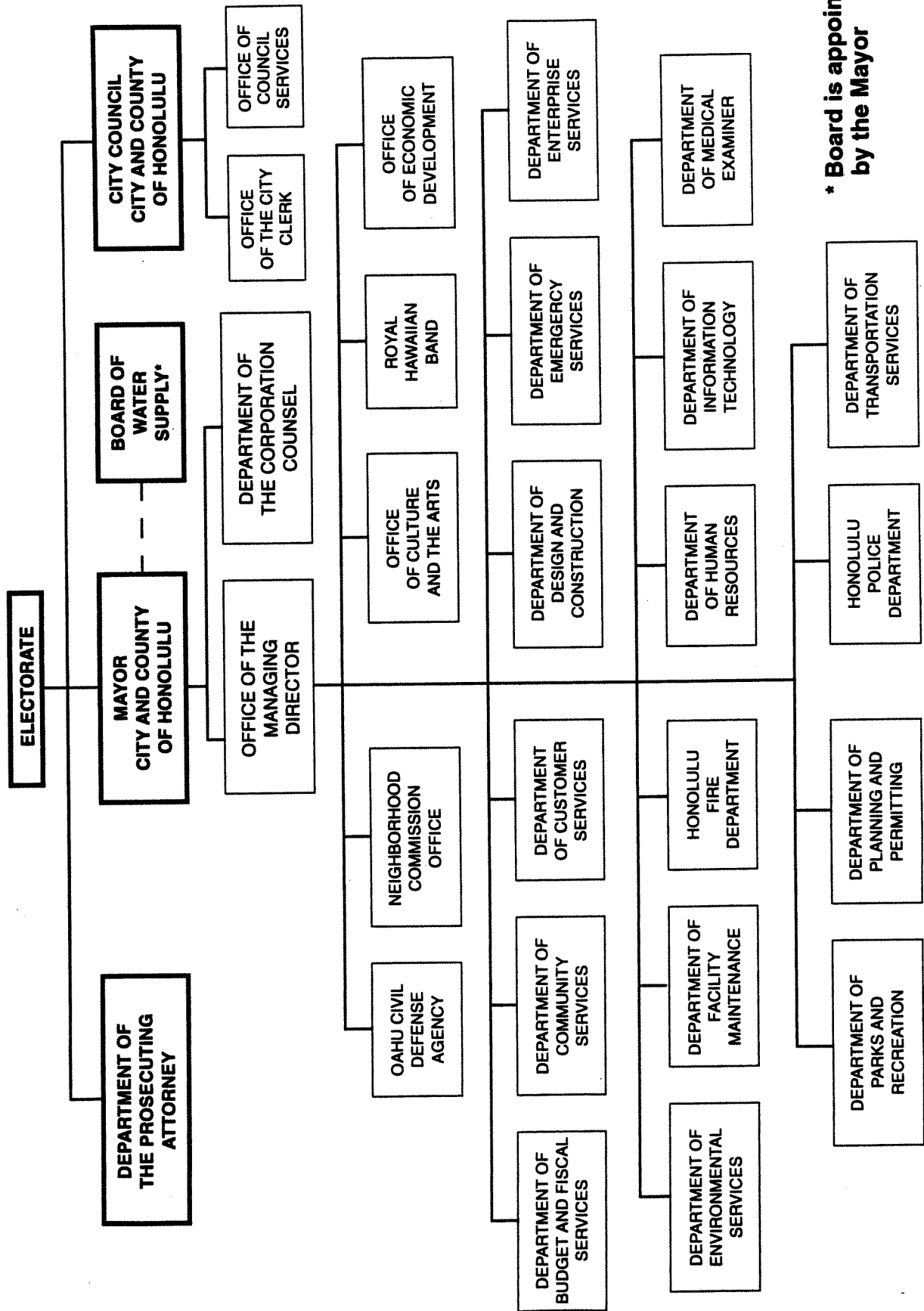
Respectfully submitted,



Ivan M. Lui-Kwan  
Director of Budget and Fiscal Services

# CITY AND COUNTY OF HONOLULU ORGANIZATION CHART

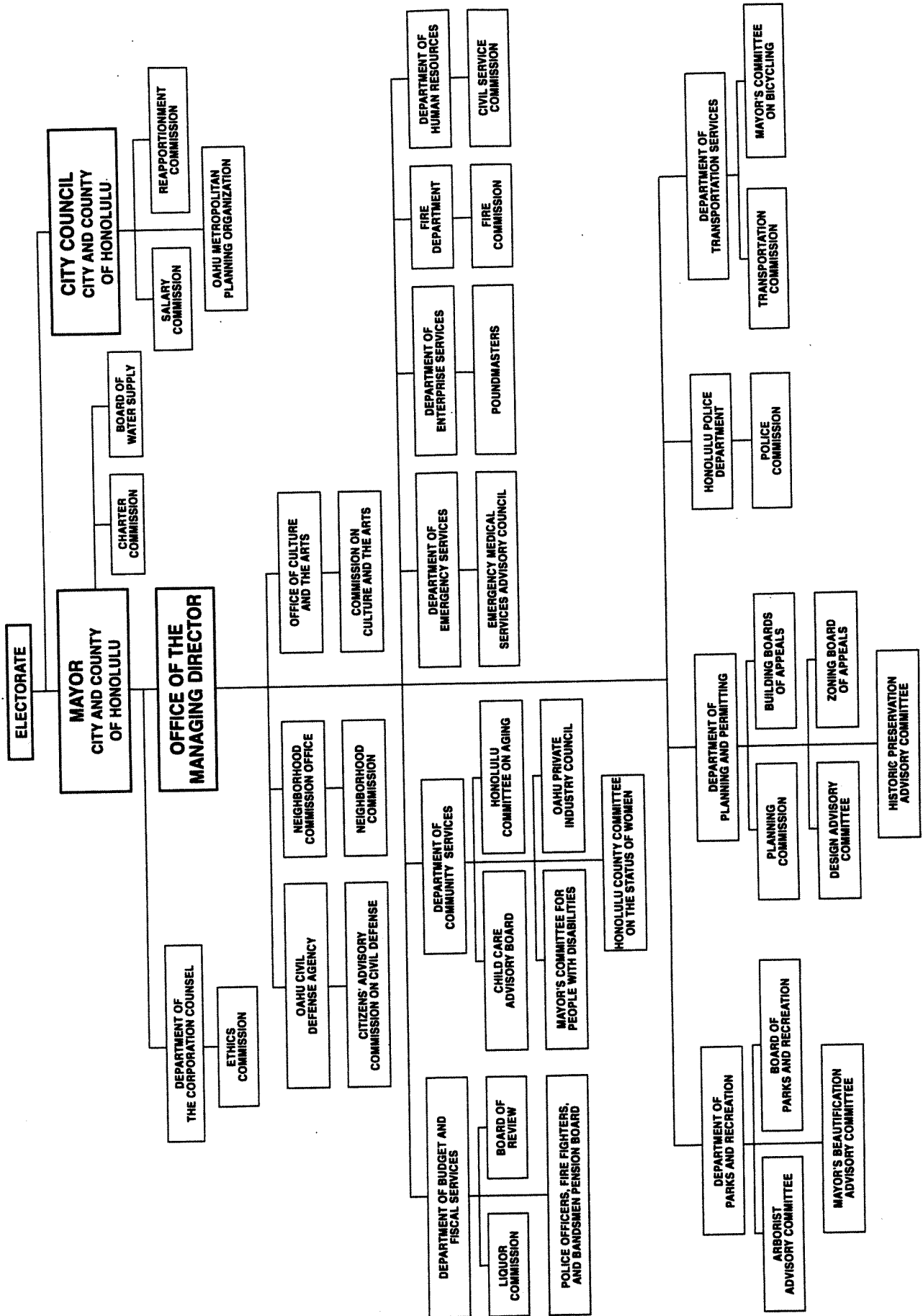
FISCAL YEAR 2001 - 02



# CITY AND COUNTY OF HONOLULU

## CHART OF BOARDS, COMMISSIONS AND ADVISORY BODIES

FISCAL YEAR 2001 - 02



CITY AND COUNTY OF HONOLULU  
ELECTED OFFICIALS

EXECUTIVE BRANCH  
(2001-2004)

Mayor.....Jeremy Harris

Prosecuting Attorney.....Peter Carlisle

CITY COUNCIL

<u>Council District</u>	<u>Councilmember (term expired January 2, 2003)</u>	<u>Councilmember (5) (term commenced January 2, 2003)</u>
First	Darrlyn Bunda (1)	Mike Gabbard
Second	Steve Holmes	Donovan Dela Cruz
Third	John Henry Felix	Barbara Marshall
Fourth	Duke Bainum	Charles Djou
Fifth	Ann Kobayashi (2)	Ann Kobayashi
Sixth	Jon Yoshimura	Rod Tam
Seventh	Romy Cachola (3)	Romy Cachola
Eighth	Gary Okino (4)	Gary Okino
Ninth	John DeSoto	Nestor Garcia

- (1) Darrlyn Bunda was elected by the remaining members of City Council to fill the vacancy created by Rene Mansho's resignation in April 2002.
- (2) Ann Kobayashi was voted by special election in January 2002 to fill the vacancy created by Andy Mirikitani's resignation in December 2001.
- (3) Romy Cachola was voted by special election in September 2000 to fill the vacancy created by Donna Mercado Kim's resignation in July 2000 and to complete the remaining two years of the four-year term.
- (4) Gary Okino was voted by special election in September 2000 to fill the vacancy created by Mufi Hannemann's resignation in July 2000 and to complete the remaining two years of the four-year term.
- (5) The staggering of terms of Councilmembers elected in November 2002 commenced on January 2, 2003. Councilmembers of odd-numbered districts were elected to two-year terms while Councilmembers of even-numbered districts were elected to four-year terms.

# LEGISLATIVE BRANCH

## City Council



Chair  
**John DeSoto**



Councilmember  
**Duke Bainum**



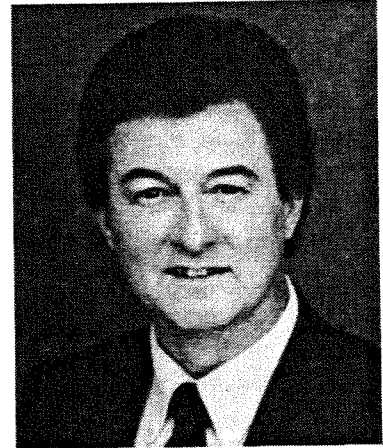
Councilmember  
**Darryln Bunda**



Councilmember  
**Romy Cachola**



Councilmember  
**John Henry Felix**



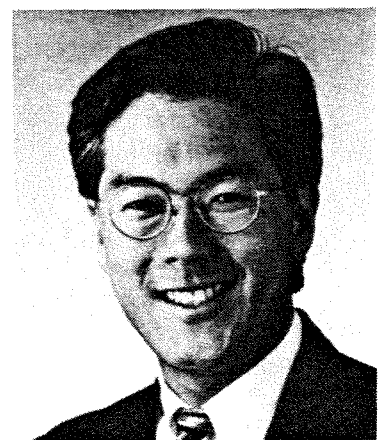
Councilmember  
**Steve Holmes**



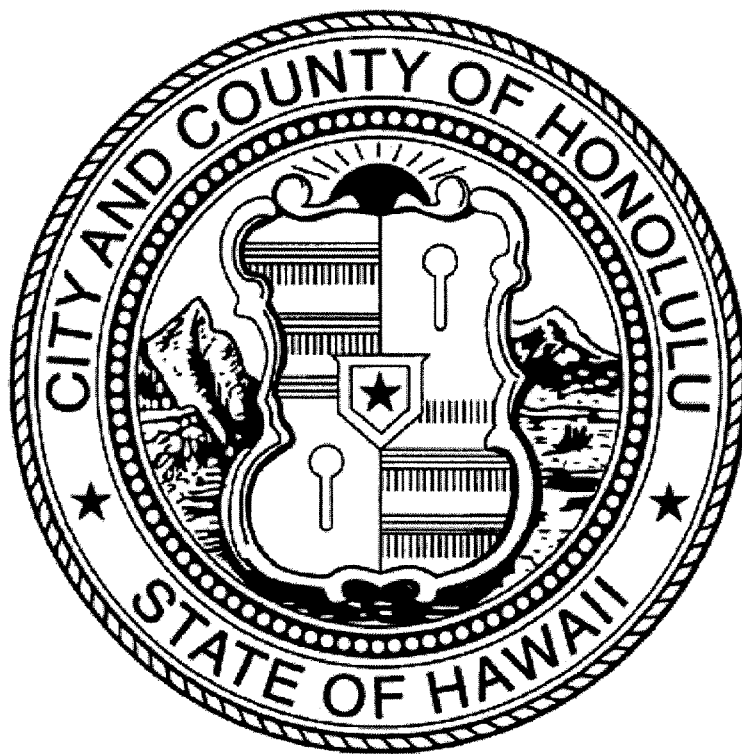
Councilmember  
**Ann Kobayashi**



Councilmember  
**Gary Okino**



Councilmember  
**Jon Yoshimura**



## **FINANCIAL SECTION**

## Report of Independent Accountants

To the Chair and Members of the  
City Council  
City and County of Honolulu  
Honolulu, Hawaii

We have audited the accompanying basic financial statements of the City and County of Honolulu, State of Hawaii (City), as of and for the year ended June 30, 2002, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our report dated December 26, 2001, we expressed an opinion that, except for the effects on the financial statements for certain adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the carrying value of the inventories of materials and supplies and related expense, the fiscal 2001 financial statements fairly presented the financial position, results of operations and cash flows of its proprietary funds (Sewer Fund) in conformity with accounting principles generally accepted in the United States of America. As described in Note 12, the City has adjusted its July 1, 2001 net assets to correct the carrying value of the inventories of materials and supplies and related expense.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City and County of Honolulu, State of Hawaii, as of June 30, 2002, and the changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



As also described in Notes 12 and 16, the City has adjusted its July 1, 2001 net assets to properly include certain previously excluded capital assets owned by certain proprietary funds, together with the related depreciation expense and to correct the accounting for customer advances of the component unit.

In accordance with Government Auditing Standards, we have also issued our report dated March 21, 2003 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1 to the financial statements, the City has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments," effective July 1, 2001.

The management's discussion and analysis and budgetary comparison information on pages 17 through 29 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents under other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*PricewaterhouseCoopers LLP*

Honolulu, Hawaii  
March 21, 2003

## **CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management's Discussion and Analysis (MD&A) is designed to provide an overview of the financial performance of the City and County of Honolulu for the fiscal year ended June 30, 2002. The information presented in this MD&A should be considered in conjunction with the letter of transmittal in the Introductory Section of this report and the financial statements that follow this subsection.

### **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2002**

- The City's net assets, excess of assets over liabilities, amounted to \$1.2 billion. Of this amount, \$143.5 million is unrestricted. The unrestricted net assets of the City's governmental activities are \$79.6 million and may be used to meet the City's ongoing obligations to citizens and creditors. The unrestricted net assets of the City's business type activities are \$63.9 million and may be used to meet the ongoing obligations of the City's housing, sewer, solid waste, and public transportation business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$180.3 million.
- Total fund balance in the General Fund increased \$12.8 million for the year ended June 30, 2002. The General Fund reported total fund balance of \$54.3 million of which \$35.2 million was unreserved at the end of the current fiscal year.
- The capital assets for the governmental activities amounted to \$1.6 billion at June 30, 2002.
- The City's net debt applicable to the legal debt margin of \$10.5 billion was \$1.3 billion for the fiscal year ended June 30, 2002.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A serves as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

#### **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide a broad overview of the City's finances, in a manner similar to the private sector. Accordingly, it provides both long-term and short-term information about the City's financial status.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets serve as an indicator as to whether the financial position of the City is improving or deteriorating.

## CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS

The *statement of activities* presents how the City's net assets changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some items that will result in cash flows in the future fiscal periods (e.g. uncollected taxes).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that recover all or a significant portion of its costs through user fees or charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, community service, sanitation, culture and recreation. The business-type activities of the City include four enterprise activities: housing, sewer, solid waste and public transportation. The governmental activities and the business-type activities comprise the City's primary government.

The City's government-wide financial statements include separate component unit reporting for the semi-autonomous operations of the Board of Water Supply. The focus of the government-wide statements are clearly on the primary government, however, the presentation allows the user to address the relative relationship with the component unit. Complete financial statements of the Board of Water Supply, which include its MD&A, may be obtained from the Board of Water Supply at 630 South Beretania Street, Honolulu, Hawaii 96843.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## **CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City maintains 30 individual governmental funds, which are categorized as major and non-major. The major category always includes the General Fund. The other major funds consist of the Highway Fund, General Obligation Bond and Interest Redemption Fund, and General Improvement Bond Fund. The other major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds and at least 5% of the aggregate amount for all governmental and enterprise funds for the same item. For the major funds, information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Information for the other 26 funds are included in the non-major category and are combined into a single, aggregated presentation in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.

**Proprietary Funds.** Enterprise services for which the City charges fees to customers are reported as proprietary funds. Like the government-wide financial statements, the proprietary fund statements report long-term and short-term financial information.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, the Financial Section of this report presents certain required supplementary information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. The individual fund statements and schedules can be found following the combining statements of this report.

## **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (GOVERNMENT-WIDE)**

In accordance with GASB Statement No. 34, the City is not required to restate prior periods for the purpose of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of government-wide information will be presented.

### **Statement of Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. The City's assets exceeded liabilities by \$1.2 billion, excluding its component unit, at the close of the 2002 fiscal year.

## CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS

The largest portion of the City's net assets (83.4%) reflects its investment in capital assets (i.e., land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (4.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$143.5 million in unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors. Although the total unrestricted net assets is \$143.5 million, the unrestricted net assets of the City's business-type activities (\$63.9 million) may not be used to fund governmental unrestricted activities.

The following is a summary of the City's (primary government) net assets as of June 30, 2002:

### Summary Statement of Net Assets (Amounts in millions)

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 304.8	\$ 344.0	\$ 648.8
Capital assets	1,570.8	1,647.3	3,218.1
Total assets	<u>1,875.6</u>	<u>1,991.3</u>	<u>3,866.9</u>
Noncurrent liabilities	1,458.6	1,078.5	2,537.1
Other liabilities	60.6	68.9	129.5
Total liabilities	<u>1,519.2</u>	<u>1,147.4</u>	<u>2,666.6</u>
Net assets:			
Invested in capital assets, net of debt	275.5	725.5	1,001.0
Restricted	1.3	54.5	55.8
Unrestricted	79.6	63.9	143.5
Total net assets	<u>\$ 356.4</u>	<u>\$ 843.9</u>	<u>\$1,200.3</u>

# CITY AND COUNTY OF HONOLULU

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following are the key elements of the changes in the City's net assets for the 2002 fiscal year:

	Changes in Net Assets (Amounts in millions)		
	Governmental Activities	Business-type Activities	Total Primary Government
<b>Revenues</b>			
Program revenues:			
Charges for services	\$116.0	\$235.0	\$ 351.0
Operating grants and contributions	79.5	--	79.5
Capital grants and contributions	41.3	63.6	104.9
General revenues:			
Property taxes	381.3	--	381.3
Other taxes	95.8	--	95.8
Other	54.9	18.8	73.7
Total revenues	768.8	317.4	1,086.2
<b>Expenses</b>			
General government	141.3	--	141.3
Public safety	221.4	--	221.4
Highways and streets	61.2	--	61.2
Sanitation	0.6	--	0.6
Health and human resources	81.6	--	81.6
Culture and recreation	76.0	--	76.0
Utilities	48.8	--	48.8
Retirement and health benefits	93.8	--	93.8
Miscellaneous	34.1	--	34.1
Interest	54.9	--	54.9
Housing	--	13.3	13.3
Sewer	--	112.7	112.7
Solid waste	--	126.8	126.8
Public transportation	--	148.3	148.3
Total expenses	813.7	401.1	1,214.8
Decrease before transfers	(44.9)	(83.7)	(128.6)
Transfers	(41.4)	41.4	--
Change in net assets	(86.3)	(42.3)	(128.6)
Net assets – beginning	442.7	886.2	1,328.9
Net assets – ending	\$356.4	\$843.9	\$1,200.3

## CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS

Total revenues for the primary government amounted to \$1.1 billion of which \$768.8 million pertained to governmental activities and \$317.4 million was for business-type activities. On the other hand, expenses for the primary government totaled \$1.2 billion of which \$813.7 million applied to governmental activities and \$401.1 million related to business-type activities. Depreciation expense amounted to \$47.6 million and \$65 million for the governmental activities and business-type activities, respectively, and is reflected in the expenses on page 21.

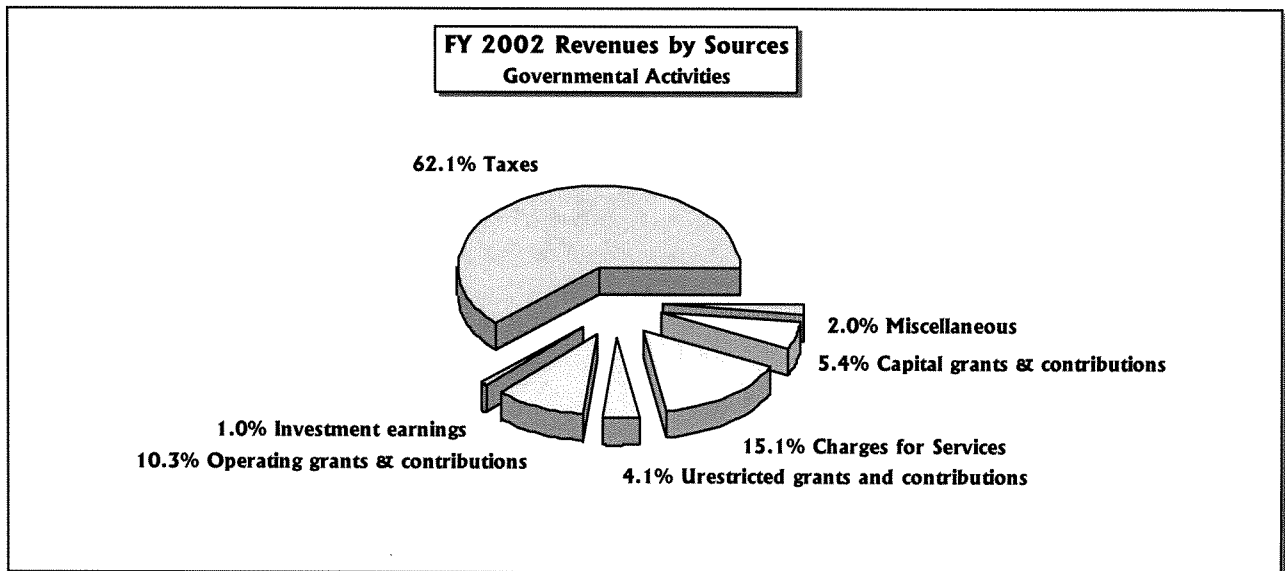
### Statement of Activities

As noted earlier, the *statement of activities* presents how the City's net assets changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some items that will result in cash flows in the future fiscal periods (e.g. uncollected taxes).

### **Governmental Activities**

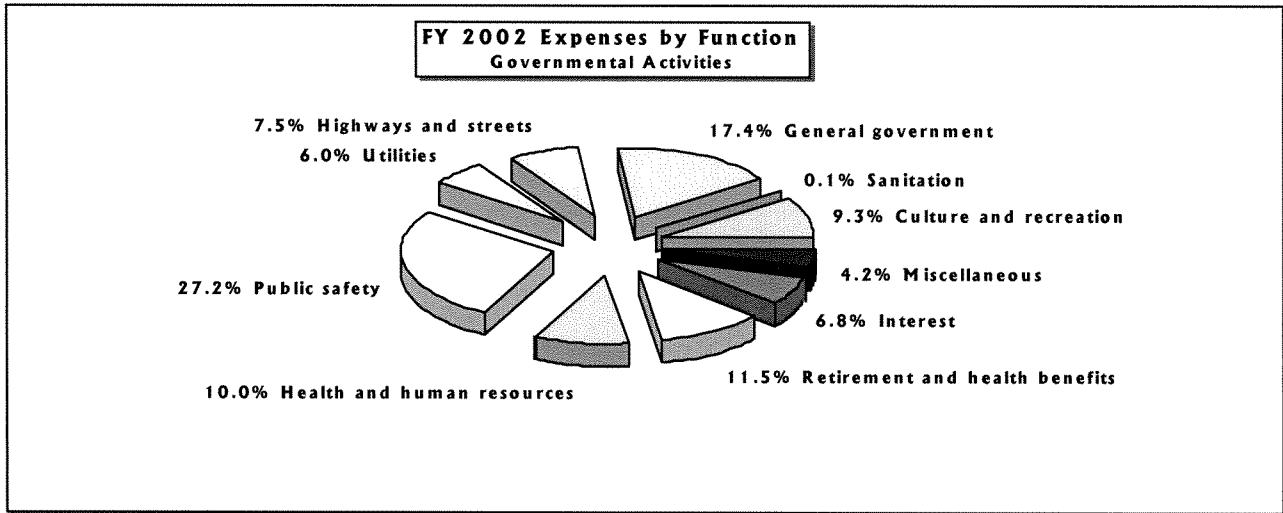
Governmental activities decreased the City's net assets by \$86.3 million in fiscal year 2002. Key elements of the decrease in net assets were depreciation expense for capital assets, unexpected high retirement benefits expense, increase in costs for normal wage and inflation expenses, and the costs of providing increased level of services while not raising tax rates.

**Revenues.** As indicated in the Revenues by Sources exhibit below, taxes amounted to 62.1% of revenues for governmental activities. More specifically, real property taxes accounted for 49.6% or \$381.3 million of the revenues for governmental activities.



## CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS

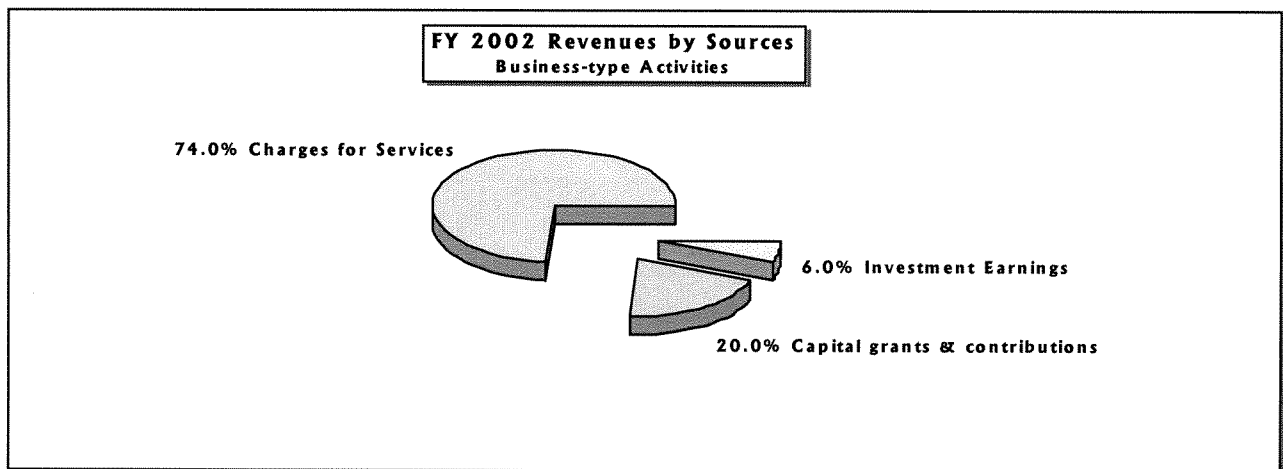
**Expenses.** The City spent \$221.4 million or 27.2% of the governmental activities budget on public safety, \$141.3 million or 17.4% on general government and \$93.8 million or 11.5% on retirement and health benefits as displayed below on the exhibit of expenses by function.



### Business-type Activities

Business-type activities decreased the City's net assets by \$42.3 million. The decrease is primarily due to holding the key user fees stable despite increase in costs for normal wage and inflation expenses and the costs of expanded services, and to the transfer of funds.

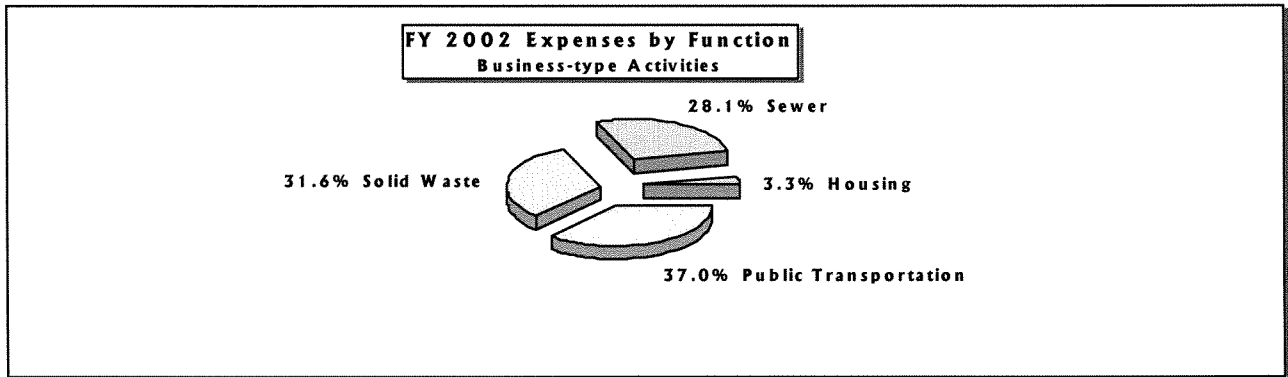
**Revenues.** The exhibit below indicates that charges for services provided 74% of the revenues for business-type activities. Charges for services totaled \$235 million and can be disaggregated as follows: housing (\$12 million), sewer (\$113.8 million), solid waste (\$76.9 million) and public transportation (\$32.3 million).





## CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS

**Expenses.** As displayed in the exhibit below, business-type activities with the most expenses are public transportation (37%), solid waste (31.6%) and sewer (28.1%). The public transportation (bus and handi-van) operations were subsidized by the governmental activities in the amount of \$75.4 million for fiscal year 2002.



### FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

## CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS

As of the end of the 2002 fiscal year, the City's governmental funds reported combined increase in fund balances of \$5.8 million as indicated below.

### Changes in Fund Balances (Amounts in millions)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	General Improvement Bond Fund	All Other Funds	Total
Revenues:						
Taxes	\$ 407.3	\$ 70.4	\$ --	\$ --	\$ --	\$477.7
Other	167.3	36.5	1.6	--	141.2	346.6
Total revenues	574.6	106.9	1.6	--	141.2	824.3
Expenditures	459.6	52.5	106.9	153.5	211.3	983.8
Subtotal	115.0	54.4	(105.3)	(153.5)	(70.1)	(159.5)
Transfers and other	(102.2)	(45.0)	105.3	153.0	54.2	165.3
Change in Fund Balance	\$ 12.8	\$ 9.4	\$ --	\$ (0.5)	\$ (15.9)	\$ 5.8

The above changes in fund balances for the governmental funds differ from the changes in net assets for governmental activities on page 21. The differences relate to certain financial resources and expenditures such as debt financing and capital outlays that are included in the changes in fund balances but are not reported in the changes in net assets as described on page 37.

#### General Fund.

The general fund is the chief operating fund of the City. At June 30, 2002, unreserved fund balance of the general fund was \$35.2 million, while total fund balance was \$54.3 million. The total fund balance in the General Fund of the City increased \$12.8 million during fiscal year 2002.

Real property taxes, the primary general fund revenue source, rose 0.6% (\$2.4 million) compared to the prior year. The increase was due to a slight increase in assessed valuations on real property. Due to enabling State of Hawaii legislation effective July 1, 2001, public service company taxes were collected and amounted to \$24.8 million for fiscal year 2002.

#### Highway Fund.

The highway fund includes special revenue proceeds that have been earmarked by law for highway and related activities. Major revenue sources include the City fuel tax, vehicle weight tax and public

## **CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS**

utility franchise tax. At June 30, 2002, the highway fund's total fund balance was \$27.1 million, of which \$25.6 million was unreserved. During the 2002 fiscal year, the total fund balance in the highway fund increased by \$9.4 million. The increase was due primarily to overall higher revenues (fiscal year 2002 revenues increased \$4 million over fiscal year 2001) combined with a decrease in expenditures for general government, highways and streets.

### **General Obligation Bond and Interest Redemption Fund.**

The general obligation bond and interest redemption fund accounts for principal and interest payments on general obligation serial bonds that have been issued by the City. At June 30, 2002, the fund had matured bonds and interest payable of \$359,000.

### **General Improvement Bond Fund.**

The general improvement bond fund consists of maturing City improvement district assessment bonds and special assessment collections. At June 30, 2002, the total fund balance was \$13 million. The fund balance includes \$331.3 million for encumbered contracts underway and is offset by an unreserved capital projects funds deficit of \$318.3 million, which will be eliminated as encumbrances are liquidated.

### **All Other Funds.**

All other funds consist of the City's nonmajor governmental funds. The \$15.9 million decrease in fund balance is primarily attributable to the excess of expenditures and other uses over revenues and other sources for the Federal Grants Fund, Highway Improvement Bond Fund, Federal Grants Fund and Capital Projects Fund. The current year deficiency for the nonmajor funds is offset by the beginning fund balance of \$101.8 million and results in an ending fund balance of \$85.9 million.

### **Proprietary Funds**

The City's proprietary funds are reported in the fund financial statements and as business-type activities in the government-wide financial statements.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no significant differences between the original budget and the final amended budget. Changes between the original and final amended budget represent appropriation transfers within the General Fund, resulting in no total difference between the original and final budget.

For fiscal year 2002, actual revenues exceeded budgetary estimates by \$8.3 million or 1.5%. The majority of this difference is in tax revenues. Actual expenditures were less than budgetary estimates by \$22.3 million or 4.5%. The favorable variance was created by expenditure control measures. The net effect of over-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$30.6 million, thus eliminating the need to draw upon existing fund balance.

# CITY AND COUNTY OF HONOLULU

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The City's investment in capital assets, net of accumulated depreciation, amounted to \$1.6 billion for governmental activities and \$3.2 billion for the primary government as of June 30, 2002. This investment in capital assets includes land, construction work in progress, buildings and improvements, equipment and machinery and infrastructure.

Some of the major capital asset events for the governmental funds during the 2002 fiscal year included the completion of construction of the Kapolei Civic Center (\$23.6 million), acquisition of the Pearl Harbor Historic Trail Park (\$8.2 million), purchase of land at the Halawa Corporation Yard (\$5.6 million), Waimea Falls land acquisition (\$5.1 million), and purchase of an IBM mainframe system (\$2.5 million).

The following is a summary of the capital assets for governmental activities as of June 30, 2002:

#### Governmental Activities Summary of Capital Assets (Amounts in millions)

	Restated Balance July 1, 2001	Net Additions (Deletions)	Balance June 30, 2002
Non-depreciable assets:			
Land	\$ 406.5	\$ 24.0	\$ 430.5
Construction work in progress	217.3	9.5	226.8
Other capital assets:			
Buildings and improvements	631.2	112.3	743.5
Equipment and machinery	193.7	22.9	216.6
Infrastructure	675.9	3.7	679.6
Less: accumulated depreciation	(683.3)	(43.0)	(726.3)
Net	<u>\$1,441.3</u>	<u>\$129.4</u>	<u>\$1,570.7</u>

Additional information on the City's capital assets can be found in notes of this report.

#### Long-Term Debt

At the end of the 2002 fiscal year, the City's long-term debt consisted of the following: total bonded debt outstanding of \$2.2 billion, notes payable of \$95 million, capital lease obligations of \$1.2 million and various installment purchase contracts of \$2.6 million. Of the total bonded debt, \$575.5 million represent revenue bonds secured solely by specified revenue sources, and \$1.7

## **CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS**

million comprise special assessment debt for which the City is liable in the event of default by the property owners of the assessment.

Debt activity during the year include the following:

- \$136 million in Senior Series bonds were issued on July 15, 2001 for Wastewater System Revenue Bonds.
- \$250 million in new and refinancing general obligation bonds were issued for various capital improvement projects on December 5, 2001.
- \$54.4 million in Water Revenue Bonds were issued on March 5, 2002.
- \$26 million in low interest state revolving fund notes were secured on various dates.

Concurrent with the issuance of the aforementioned bonds, the City purchased Municipal Bond New Issue Insurance Policies from Financial Guaranty Insurance Company. The policies unconditionally guarantee the payment of principal and interest on the bonds in the event of nonpayment by the City. As a result, Moody's Investor Services Inc. and Fitch Inc. assigned ratings of Aaa and AAA, respectively, for the bonds issued during the 2002 fiscal year. Standard & Poor's Corporation rated the bonds issued on December 5, 2001 and March 5, 2002 as AAA.

The City is within all of its legal debt limitations. State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its net assessed valuation. The debt limitation for the City is \$10.5 billion for the fiscal year ended June 30, 2002. Net debt, excluding debt issued for enterprise fund activities and special assessments, applicable to legal debt margin amounted to \$1.3 billion.

Additional information on the City's debt can be found in notes of this report and in the Statistical Section.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The events of September 11, 2001 continue to have an impact on the Oahu economy. However, indicators suggest that the economy is gradually recovering. Unemployment is down; personal income, wages and salaries, and proprietors' income are up; inflation is stable; and bankruptcies have dropped. In addition, the residential real estate market grew significantly in 2002. The net assessed valuation of real property on Oahu increased 6.9% to \$74.5 billion for fiscal year 2003 from \$69.7 billion for the previous fiscal year.

All of these factors were considered in preparing the City's budgets for the 2003 fiscal year. In order to meet the objectives of the 2003 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources. The budgets were balanced

## **CITY AND COUNTY OF HONOLULU MANAGEMENT'S DISCUSSION AND ANALYSIS**

without increasing real property tax rates or sewer service charge rates. The City's operating budget for fiscal year 2003 is \$1,390.7 million, the capital improvement budget decreased from \$579.2 million in fiscal year 2002 to \$455.6 million in fiscal year 2003.

### **FINANCIAL CONTACT**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Budget and Fiscal Services, City and County of Honolulu, 530 South King Street, Honolulu, Hawaii 96813.

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# **BASIC FINANCIAL STATEMENTS**



## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY AND COUNTY OF HONOLULU**  
**STATEMENT OF NET ASSETS**

JUNE 30, 2002

(Amounts in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents .....	\$ 4,316	\$ 73,667	\$ 77,983	\$ 16,738
Investments .....	213,555	200,002	413,557	83,932
Receivables (net) .....	94,519	38,529	133,048	15,189
Internal balances .....	(7,576)	7,576	--	--
Inventories .....	11	16,155	16,166	4,145
Deferred charges and other .....	--	3,929	3,929	3,146
Restricted assets:				
Cash and cash equivalents .....	--	816	816	8,654
Investments .....	--	--	--	71,417
Other .....	--	3,299	3,299	848
Capital assets (net of accumulated depreciation):				
Land .....	430,457	102,415	532,872	30,062
Buildings and improvements .....	496,843	520,143	1,016,986	93,918
Equipment and machinery .....	94,126	159,453	253,579	79,074
Infrastructure .....	322,527	736,970	1,059,497	605,396
Construction work in progress .....	226,778	128,306	355,084	126,959
Total assets .....	1,875,556	1,991,260	3,866,816	1,139,478
<b>LIABILITIES</b>				
Checks payable .....	15,491	2,304	17,795	--
Accounts payable .....	27,732	14,464	42,196	27,398
Matured bonds and interest payable ...	368	--	368	--
Accrued interest payable .....	17,022	18,072	35,094	1,758
Other liabilities .....	--	34,025	34,025	11,781
Noncurrent liabilities:				
Due within one year .....	76,073	53,365	129,438	780
Due in more than one year .....	1,382,491	1,025,137	2,407,628	120,220
Total liabilities .....	1,519,177	1,147,367	2,666,544	161,937
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt .....	275,456	725,510	1,000,966	838,461
Restricted for:				
Capital activity .....	--	--	--	41,008
Debt service .....	1,347	54,489	55,836	2,479
Unrestricted .....	79,576	63,894	143,470	95,593
Total net assets .....	\$ 356,379	\$ 843,893	\$ 1,200,272	\$ 977,541

The notes to the financial statements are an integral part of this statement.

**CITY AND COUNTY OF HONOLULU**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2002**  
(Amounts in thousands )

(Page 1 of 2)

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government.....	\$ 141,340	\$ 70,096	\$ 5,064	\$ 7,166
Public safety.....	221,355	9,535	3,065	1,003
Highways and streets.....	61,245	90	--	8,893
Sanitation.....	562	2	28	57
Health and human resources.....	81,607	18,334	49,112	9,272
Culture and recreation.....	75,962	17,832	254	1,190
Utilities.....	48,795	70	21,977	13,755
Retirement and health benefits...	93,819	--	--	--
Miscellaneous.....	34,153	--	--	--
Interest.....	54,943	--	--	--
Total governmental activities...	<u>813,781</u>	<u>115,959</u>	<u>79,500</u>	<u>41,336</u>
Business-type activities:				
Housing.....	13,319	12,025	--	--
Sewer.....	112,700	113,811	--	2,066
Solid Waste.....	126,807	76,854	--	3,348
Public Transportation.....	148,231	32,279	--	58,163
Total business-type activities...	<u>401,057</u>	<u>234,969</u>	<u>--</u>	<u>63,577</u>
Total primary government.....	<u>\$ 1,214,838</u>	<u>\$ 350,928</u>	<u>\$ 79,500</u>	<u>\$ 104,913</u>
Component unit:				
Board of Water Supply.....	<u>\$ 104,678</u>	<u>\$ 117,174</u>	<u>\$ --</u>	<u>\$ 11,857</u>
General revenues:				
Property taxes.....				
Public service company tax.....				
Fuel tax .....				
Public utility franchise tax.....				
Investment earnings.....				
Unrestricted grants and contributions.....				
Harbor Court Lease to Fee Conversion.....				
Other.....				
Transfers.....				
Total general revenues and transfers.....				
Change in net assets.....				
Net assets - beginning, as restated for Business-Type Activities and				
Component Unit.....				
Net assets - ending.....				

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF HONOLULU  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2002  
(Amounts in thousands )

(Page 2 of 2)

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$ (59,014)	\$ --	\$ (59,014)	\$ --
(207,752)	--	(207,752)	--
(52,262)	--	(52,262)	--
(475)	--	(475)	--
(4,889)	--	(4,889)	--
(56,686)	--	(56,686)	--
(12,993)	--	(12,993)	--
(93,819)	--	(93,819)	--
(34,153)	--	(34,153)	--
(54,943)	--	(54,943)	--
<u>(576,986)</u>	<u>--</u>	<u>(576,986)</u>	<u>--</u>
--	(1,294)	(1,294)	--
--	3,177	3,177	--
--	(46,605)	(46,605)	--
--	(57,789)	(57,789)	--
<u>--</u>	<u>(102,511)</u>	<u>(102,511)</u>	<u>--</u>
<u>(576,986)</u>	<u>(102,511)</u>	<u>(679,497)</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>24,353</u>
381,330	--	381,330	--
24,821	--	24,821	--
46,728	--	46,728	--
24,217	--	24,217	--
7,519	18,828	26,347	5,554
31,588	--	31,588	--
11,971	--	11,971	--
3,858	--	3,858	--
<u>(41,356)</u>	<u>41,356</u>	<u>--</u>	<u>--</u>
<u>490,676</u>	<u>60,184</u>	<u>550,860</u>	<u>5,554</u>
<u>(86,310)</u>	<u>(42,327)</u>	<u>(128,637)</u>	<u>29,907</u>
<u>442,689</u>	<u>886,220</u>	<u>1,328,909</u>	<u>947,634</u>
<u>\$ 356,379</u>	<u>\$ 843,893</u>	<u>\$ 1,200,272</u>	<u>\$ 977,541</u>

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## **FUND FINANCIAL STATEMENTS**

# **Governmental Fund Financial Statements**

## **MAJOR FUNDS**

### **General Fund**

This fund accounts for all financial resources except those required to be accounted for in another fund.

### **Special Revenue Fund**

#### **Highway Fund**

This fund accounts for disposition of proceeds from special revenues earmarked by law for highway and related activities. Major revenue sources include the City fuel tax, vehicle weight tax and public utility franchise tax.

### **Debt Service Fund**

#### **General Obligation Bond and Interest Redemption Fund**

This fund accounts for payments of principal and interest on general obligation serial bonds issued by the City.

### **Capital Projects Fund**

#### **General Improvement Bond Fund**

This fund accounts for proceeds of general obligation bonds issued to pay all or part of those appropriations in the Capital Budget Ordinance for public improvements specified to be expended from this fund.

## **NONMAJOR FUNDS**

### **Special Revenue Funds**

#### **Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund**

This fund accounts for receipts from each certificate of registration. These monies are expended primarily for the beautification of highways under the jurisdiction of the City and the disposition of abandoned vehicles.

### **Bikeway Fund**

This fund accounts for the bicycle biennial registration fee, which is earmarked for operating, acquisition and other costs related to bikeways.

### **Parks and Playgrounds Fund**

All monies received in lieu of providing land in perpetuity or dedicating land, together with facilities for park and playground purposes are recorded in this fund. These monies must be expended for the purchase of land for parks and playgrounds, park and playground equipment, and/or the improvement of existing parks and playgrounds.

### **Federal Revenue Sharing Fund**

All monies received from the federal government under the State and Local Fiscal Assistance Act of 1972 are deposited in this fund and expended for purposes authorized by the provisions of the Act.

# **Governmental Fund Financial Statements (Continued)**

## **NONMAJOR FUNDS (CONTINUED)**

### **Special Revenue Funds (Continued)**

#### **Liquor Commission Fund**

This fund accounts for all monies collected by as well as received on behalf of the Liquor Commission and used for operational and administrative costs of the Liquor Commission.

#### **Rental Assistance Fund**

This fund accounts for all net receipts from the Hale Pauahi parking structure which are expended for monthly rental assistance payments to landlords on behalf of eligible applicants.

#### **Zoo Animal Purchase Fund**

This fund accounts for the proceeds from the sale of surplus animals from the Honolulu Zoo and all donations made specifically for the purchase of animals. Funds in this account shall be expended for the acquisition of zoo animals to include shipping, insurance, travel and other related costs.

#### **Hanauma Bay Nature Preserve Fund**

This fund accounts for receipts from the entrance and vehicle admission fees to the Hanauma Bay Nature Preserve and is earmarked primarily for the operation, maintenance and improvement of the Nature Preserve.

#### **Special Reserve Fund**

This fund accounts for all monies determined to be in excess of expenditures at the end of each fiscal year. All monies deposited into this fund shall be used solely for (1) natural disaster relief, (2) unanticipated obligations to third parties, and/or (3) significant events endangering the health, welfare or safety of the residents of the island of Oahu.

#### **Community Development Fund**

Monies are provided by the federal government under the Housing and Community Development Act of 1974, as amended; the National Affordable Housing Act of 1990, as amended; monies generated as program income; and monies carried over from prior years. Funds are expended to carry out the objectives of the Acts.

#### **Golf Fund**

Receipts for this fund are derived from the operation of the City's golf facilities. All funds are expended for the management, operation and maintenance of the municipal golf courses.

#### **Special Events Fund**

This fund accounts for all revenues derived from the operation of the City's auditorium facilities, Waikiki Shell and Honolulu Zoo. All funds are expended for the operation of the Department of Enterprise Services.



# **Governmental Fund Financial Statements (Continued)**

## **NONMAJOR FUNDS (CONTINUED)**

### **Special Revenue Funds (Continued)**

#### **Farmers Home Administration Loan Fund**

This fund accounts for all proceeds from the issuance and sale of bonds to the Farmers Home Administration for the purpose of financing portions of the cost of such projects as approved by the Farmers Home Administration.

#### **Special Projects Fund**

This fund accounts for all monies received under special contracts executed between the City and the State of Hawaii. Monies received from various other sources for operating and capital improvement expenditures for which no financing has been provided in other funds, such as contributions from property owners exclusive of improvement district assessment collections, are also accounted for in this fund.

#### **Federal Grants Fund**

This fund accounts for all monies received from the federal government as grants for specific projects as well as supporting monies from other sources, where such monies are not accountable in any other fund. All monies placed in the fund are maintained in separate accounts identified with, and expended for, the intended purposes.

#### **Housing and Community Development Rehabilitation Loan Fund**

This fund makes loan monies available primarily to low and moderate income applicants unable to secure or qualify for funds under the Rehabilitation Loan Program sponsored by the federal government.

#### **Pauahi Project Expenditures, Hawaii R-15 Fund**

This fund was created to facilitate financing of the Pauahi Project redevelopment plan providing for the acquisition, clearance, construction of site improvements, and sale or lease of home, apartment and commercial sites to private parties for development in accordance with said plan.

#### **Housing and Community Development Section 8 Contract Fund**

This fund accounts for all monies received from the federal government under the Housing and Community Development Act of 1974 for the purposes set forth under Title II of the Act.

#### **Leasehold Conversion Fund**

This fund accounts for all monies to assist lessees to purchase, at fair and reasonable prices, lands upon which are situated either residential condominium, cooperative housing or residential planned development.

#### **Improvement District Revolving Fund**

Monies in this revolving fund are available to cover deficiencies, advance interest due, reimburse the General Fund in the event the payment of assessments are late or insufficient, and pay all expenses in connection with the sale of delinquent lots as bid for and purchased for the City by the Director of Budget and Fiscal Services.

# **Governmental Fund Financial Statements (Continued)**

## **NONMAJOR FUNDS (CONTINUED)**

### **Special Revenue Funds (Continued)**

#### **Housing and Community Development Revolving Fund**

This fund serves as a working capital fund to facilitate the expenditure of joint costs.

#### **Municipal Stores Revolving Fund**

This fund is used to finance the Municipal Stores through bulk purchases and resale of regularly used standard printed forms and various publications dealing with City matters.

### **Debt Service Fund**

#### **Improvement District Bond and Interest Redemption Fund**

This fund accounts for the redemption of maturing City improvement district assessment bonds and collections of special assessments.

### **Capital Projects Funds**

#### **Highway Improvement Bond Fund**

Proceeds of general obligation bonds issued to pay all or a part of those appropriations in the Capital Budget Ordinance for highway and related public improvements are accounted for in this fund.

#### **Federal Grants Capital Projects Fund**

All monies received from the federal government in the form of grants, entitlements or payments in lieu of taxes, to fund capital projects, and Federal Revenue Sharing funds appropriated for capital projects are deposited or transferred into this fund and expended for the purposes for which such monies are received or appropriated.

#### **Capital Projects Fund**

Monies received from sources other than the federal government in the form of grants, entitlements, shared revenues or payments in lieu of taxes, to fund capital projects, and City monies appropriated for capital projects are deposited or transferred into this fund and expended for the purposes for which such monies are received or appropriated. All transactions relating to acquisition of capital improvements financed by special assessments are also accounted for in this fund.

CITY AND COUNTY OF HONOLULU  
GOVERNMENTAL FUNDS

**BALANCE SHEET**

JUNE 30, 2002

(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	General Improvement Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments:						
With Treasury .....	\$ 58,128	\$ 22,306	\$ --	\$ 35,146	\$ 101,932	\$ 217,512
With fiscal agents .....	--	--	359	--	--	359
Receivables .....	17,766	17,284	--	--	59,469	94,519
Due from other funds .....	305	22	--	--	408	735
Inventories .....	--	--	--	--	11	11
Total Assets .....	<u>\$ 76,199</u>	<u>\$ 39,612</u>	<u>\$ 359</u>	<u>\$ 35,146</u>	<u>\$ 161,820</u>	<u>\$ 313,136</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Checks payable .....	\$ 2,507	\$ 152	\$ --	\$ 6,495	\$ 6,337	\$ 15,491
Accounts payable .....	6,094	297	--	8,386	8,874	23,651
Accrued payroll .....	3,686	205	--	2	188	4,081
Due to other funds .....	640	--	--	7,298	373	8,311
Matured bonds and interest payable .....	--	--	359	--	9	368
Deferred revenue .....	8,922	11,874	--	--	60,146	80,942
Total Liabilities .....	<u>21,849</u>	<u>12,528</u>	<u>359</u>	<u>22,181</u>	<u>75,927</u>	<u>132,844</u>
Fund Balances:						
Reserved for:						
Encumbrances .....	19,191	1,533	--	331,273	327,422	679,419
Debt service .....	--	--	--	--	1,347	1,347
Unreserved, reported in:						
General fund .....	35,159	--	--	--	--	35,159
Special revenue funds .....	--	25,551	--	--	(2,943)	22,608
Capital projects funds .....	--	--	--	(318,308)	(239,933)	(558,241)
Total Fund Balances .....	<u>54,350</u>	<u>27,084</u>	<u>--</u>	<u>12,965</u>	<u>85,893</u>	<u>180,292</u>
Total Liabilities and Fund Balances .....	<u>\$ 76,199</u>	<u>\$ 39,612</u>	<u>\$ 359</u>	<u>\$ 35,146</u>	<u>\$ 161,820</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported in the funds.

1,570,731

Other long-term assets are not available to pay for current-period expenditures  
and, therefore, are deferred in the funds.

80,942

Long-term liabilities, including bonds payable, are not due and payable in the  
current period and, therefore, are not reported in the funds.

(1,475,586)

Net assets of governmental activities

\$ 356,379

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF HONOLULU  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
( Amounts in thousands )

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	General Improvement Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes.....	\$ 407,270	\$ 70,476	\$ --	\$ --	\$ --	\$ 477,746
Special assessments.....	--	--	--	--	440	440
Licenses and permits.....	25,897	27,800	--	--	2,917	56,614
Intergovernmental.....	32,063	--	--	--	113,376	145,439
Charges for services.....	3,912	4,123	--	--	10,447	18,482
Fines and forfeits.....	249	2	--	--	209	460
Miscellaneous:						
Reimbursements and recoveries.....	76,706	144	--	--	23	76,873
Interest.....	7,519	--	1,516	--	1,051	10,086
Other.....	21,023	4,358	85	--	12,733	38,199
<b>Total Revenues.....</b>	<b>574,639</b>	<b>106,903</b>	<b>1,601</b>	<b>--</b>	<b>141,196</b>	<b>824,339</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government.....	95,817	10,680	--	--	8,817	115,314
Public safety.....	199,990	20,233	--	--	4,051	224,274
Highways and streets.....	5,768	9,352	--	--	2	15,122
Sanitation.....	--	446	--	--	45	491
Health and human resources.....	14,579	--	--	--	50,326	64,905
Culture-recreation.....	41,339	--	--	--	17,071	58,410
Utilities or other enterprises.....	--	1,452	--	--	22,341	23,793
<b>Miscellaneous:</b>						
Retirement and health benefits.....	81,647	9,100	--	--	3,633	94,380
Other.....	18,926	1,300	--	--	151	20,377
<b>Capital Outlay:</b>						
General government.....	--	--	--	38,450	7,927	46,377
Public safety.....	--	--	--	8,898	7,879	16,777
Highways and streets.....	--	--	--	3,329	47,611	50,940
Sanitation.....	--	--	--	--	116	116
Health and human resources.....	--	--	--	7,779	9,171	16,950
Culture-recreation.....	--	--	--	95,063	6,629	101,692
Utilities or other enterprises.....	--	--	--	--	25,014	25,014
<b>Debt service:</b>						
Principal.....	1,207	--	26,151	--	370	27,728
Interest.....	310	--	80,766	--	129	81,205
<b>Total Expenditures.....</b>	<b>459,583</b>	<b>52,563</b>	<b>106,917</b>	<b>153,519</b>	<b>211,283</b>	<b>983,865</b>
<b>Revenues over (under) Expenditures.....</b>	<b>115,056</b>	<b>54,340</b>	<b>(105,316)</b>	<b>(153,519)</b>	<b>(70,087)</b>	<b>(159,526)</b>
<b>Other Financing Sources (Uses):</b>						
Proceeds of general obligation bonds .....	--	--	--	153,015	52,000	205,015
Proceeds of refunding bonds .....	--	--	90,584	--	--	90,584
Proceeds of long-term notes .....	--	--	--	--	1,119	1,119
Payment of refunded bonds .....	--	--	(90,584)	--	--	(90,584)
Sales of general fixed assets.....	187	345	--	--	--	532
Operating transfers in.....	82,919	--	105,316	--	23,674	211,909
Operating transfers out.....	(185,348)	(45,303)	--	--	(22,614)	(253,265)
<b>Total Other Financing Sources (Uses).....</b>	<b>(102,242)</b>	<b>(44,958)</b>	<b>105,316</b>	<b>153,015</b>	<b>54,179</b>	<b>165,310</b>
<b>Net change in fund balances.....</b>	<b>12,814</b>	<b>9,382</b>	<b>--</b>	<b>(504)</b>	<b>(15,908)</b>	<b>5,784</b>
<b>Fund Balances - July 1.....</b>	<b>41,536</b>	<b>17,702</b>	<b>--</b>	<b>13,469</b>	<b>101,801</b>	<b>174,508</b>
<b>Fund Balances - June 30.....</b>	<b>\$ 54,350</b>	<b>\$ 27,084</b>	<b>\$ --</b>	<b>\$ 12,965</b>	<b>\$ 85,893</b>	<b>\$ 180,292</b>

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF HONOLULU  
**GOVERNMENTAL FUNDS**  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 ( Amounts in thousands )

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances--total governmental funds	\$ 5,784
Governmental funds report capital outlays as expenditures. The Statement of Activities reports depreciation expense on capital assets. This is the difference between the two amounts for this year.	129,440
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,243
Proceeds from the issuance of long-term debt are reported as providing current financial resources in the governmental funds, but are reported as long-term debt in the government-wide financial statements. Repayment of such debt is reported as an expenditure for governmental funds but is reported as a reduction of debt in the government-wide financial statements.	(204,332)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(18,445)
Change in net assets of governmental activities	<u>\$ (86,310)</u>

The notes to the financial statements are an integral part of this statement.

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## **Proprietary Fund Financial Statements**

### **Housing Development Special Fund**

This fund accounts for monies designated for the development of housing for sale or for rental by the City. Transactions in this fund are incorporated in the special statements for the housing program.

### **Sewer Fund**

This fund accounts for all monies received pursuant to the provisions of the Federal Water Pollution Control Act amendments of 1972 and the Hawaii Revised Statutes and expended for the purposes authorized.

### **Solid Waste Special Fund**

This fund accounts for all revenues derived from the operation of the City's Refuse Division, solid waste disposal programs, glass recycling program, and other recycling programs. All monies placed in this fund are maintained in separate accounts identified with and expended for the intended purposes.

### **Public Transportation System**

The Bus Transportation Fund was created for the management, operation, and maintenance of the bus transportation system, including the City bus system (TheBus) and the special transit service (The Handi-Van).

CITY AND COUNTY OF HONOLULU  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2002  
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				
	Housing	Sewer	Solid Waste	Public Transportation System	Totals
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents .....	\$ 23,392	\$ 25,643	\$ 14,672	\$ 9,960	\$ 73,667
Investments .....	--	142,947	57,055	--	200,002
Receivables:					
Accounts (net of allowance for uncollectibles of \$1,641 in 2002 and \$3,404 in 2001)....	2,395	16,772	12,847	--	32,014
Interest .....	21	985	2,008	--	3,014
Note .....	3,501	--	--	--	3,501
Due from other funds .....	--	6,858	885	--	7,743
Inventories of parts, materials and supplies, at cost (net of \$1,227 reserve for obsolescence) .....	--	4,710	--	6,353	11,063
Inventories of real estate held for sale .....	5,092	--	--	--	5,092
Prepaid expenses and other assets .....	16	--	404	1,748	2,168
Total Current Assets .....	34,417	197,915	87,871	18,061	338,264
Restricted Assets:					
Cash and cash equivalents .....	--	--	--	816	816
Other .....	3,295	--	--	4	3,299
Fixed Assets:					
Land .....	19,708	5,630	19,229	57,848	102,415
Buildings and improvements .....	108,504	396,975	52,395	50,479	608,353
Transmission and distribution system .....	--	787,519	--	--	787,519
Equipment and machinery .....	133	19,963	239,655	24,999	284,750
Buses and other transit vehicles .....	--	--	--	138,630	138,630
Construction work in progress .....	17,356	109,690	1,260	--	128,306
Accumulated depreciation .....	(32,555)	(84,656)	(158,369)	(127,106)	(402,686)
Deferred charges and other .....	1,336	--	425	--	1,761
Total Assets .....	\$ 152,194	\$ 1,433,036	\$ 242,466	\$ 163,731	\$ 1,991,427
<b>LIABILITIES</b>					
Current Liabilities:					
Checks payable .....	\$ 12	\$ 570	\$ 1,718	\$ 4	\$ 2,304
Accounts payable .....	1,314	5,984	5,016	2,150	14,464
Interest payable-current .....	1,590	8,127	8,355	--	18,072
Notes payable-current .....	--	15,591	--	--	15,591
Bonds payable-current .....	4,894	10,906	17,702	--	33,502
Operating fee obligation, net of note receivable .....	--	--	4,203	--	4,203
Due to other funds .....	--	111	56	--	167
Reserve for insurance claims payable .....	--	--	--	9,519	9,519
Accrued payroll .....	--	--	392	--	392
Other current liabilities .....	101	377	69	274	821
Total Current Liabilities .....	7,911	41,666	37,511	11,947	99,035
Notes payable .....	--	85,003	--	--	85,003
General obligation bonds payable .....	118,419	67,644	198,579	--	384,642
Revenue bonds payable .....	--	453,413	--	--	453,413
Operating fee obligation, net of note receivable .....	--	--	90,121	--	90,121
Estimated liability for landfill closure and postclosure care costs.....	--	--	11,958	--	11,958
Other liabilities .....	11,088	5,929	3,193	3,152	23,362
Total Liabilities .....	137,418	653,655	341,362	15,099	1,147,534
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt .....	(10,166)	650,381	(59,555)	144,850	725,510
Restricted for debt service .....	--	54,489	--	--	54,489
Unrestricted .....	24,942	74,511	(39,341)	3,782	63,894
Total Net Assets (Deficit) .....	\$ 14,776	\$ 779,381	\$ (98,896)	\$ 148,632	\$ 843,893

The notes to the financial statements are an integral part of this statement.



CITY AND COUNTY OF HONOLULU  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				
	Housing	Sewer	Solid Waste	Public Transportation System	Totals
<b>Operating Revenues:</b>					
Sales of dwelling units and lots .....	\$ 2,525	\$ --	\$ --	\$ --	\$ 2,525
Rental income .....	8,330	--	3,223	--	11,553
Sewer service charges .....	--	112,148	--	--	112,148
Disposal and collection fees .....	--	--	49,717	--	49,717
Electrical energy fee .....	--	--	23,112	--	23,112
Passenger fares for transit services .....	--	--	--	31,844	31,844
Other revenue .....	--	1,662	802	435	2,899
<b>Total Operating Revenues .....</b>	<b>10,855</b>	<b>113,810</b>	<b>76,854</b>	<b>32,279</b>	<b>233,798</b>
<b>Operating Expenses:</b>					
Administrative and general .....	585	32,943	32,948	995	67,471
Maintenance .....	889	204	598	3	1,694
Depreciation .....	3,583	29,983	16,629	14,768	64,963
Contractual services .....	660	6,665	34,442	99,323	141,090
Supplemental operating fee .....	--	--	3,223	--	3,223
Fringe benefits .....	14	10,676	5,726	--	16,416
Materials and supplies .....	78	3,850	1,913	10,243	16,084
Fuel and lubricants .....	--	1,641	784	5,725	8,150
Insurance .....	142	--	1,173	8,659	9,974
State taxes - fuel .....	--	--	161	2,265	2,426
Utilities .....	911	6,754	154	1,064	8,883
Cost of sales - dwelling units and lots ...	2,247	--	--	--	2,247
Provision for losses on dwelling units and lots .....	2,757	--	--	--	2,757
Other .....	206	22	--	695	923
<b>Total Operating Expenses .....</b>	<b>12,072</b>	<b>92,738</b>	<b>97,751</b>	<b>143,740</b>	<b>346,301</b>
<b>Operating Income (Loss) .....</b>	<b>(1,217)</b>	<b>21,072</b>	<b>(20,897)</b>	<b>(111,461)</b>	<b>(112,503)</b>
<b>Nonoperating Revenues (Expenses):</b>					
Interest revenue .....	605	4,779	13,372	61	18,817
Interest expense .....	(1,148)	(18,208)	(28,922)	--	(48,278)
Gain (Loss) from disposal of property .	--	1	--	(4,491)	(4,490)
Amortization expense .....	(99)	--	(134)	--	(233)
Net increase in the fair value of investments .....	--	--	--	11	11
Other .....	1,170	(1,754)	--	--	(584)
<b>Total Nonoperating Revenues (Expenses) .....</b>	<b>528</b>	<b>(15,182)</b>	<b>(15,684)</b>	<b>(4,419)</b>	<b>(34,757)</b>
<b>Income (Loss) before Operating Transfers and Capital Contributions.....</b>	<b>(689)</b>	<b>5,890</b>	<b>(36,581)</b>	<b>(115,880)</b>	<b>(147,260)</b>
Operating Transfers In .....	148	--	46,155	75,412	121,715
Operating Transfers Out .....	--	(46,995)	(33,364)	--	(80,359)
Capital Contributions .....	--	2,066	3,348	58,163	63,577
<b>Change in Net Assets .....</b>	<b>(541)</b>	<b>(39,039)</b>	<b>(20,442)</b>	<b>17,695</b>	<b>(42,327)</b>
Net Assets - July 1 as previously reported.	15,317	612,449	(78,454)	110,948	660,260
Prior period adjustment.....	--	205,971	--	19,989	225,960
<b>Net Assets - July 1 as restated.....</b>	<b>15,317</b>	<b>818,420</b>	<b>(78,454)</b>	<b>130,937</b>	<b>886,220</b>
<b>Net Assets - June 30 .....</b>	<b>\$ 14,776</b>	<b>\$ 779,381</b>	<b>\$ (98,896)</b>	<b>\$ 148,632</b>	<b>\$ 843,893</b>

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF HONOLULU  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

	Business-type Activities-Enterprise Funds				
	Housing	Sewer	Solid Waste	Public Transportation System	Totals
Cash flows from operating activities:					
Receipts from customers.....	\$ 8,747	\$ 113,200	\$ 73,093	\$ 32,152	\$ 227,192
Payments to suppliers.....	(2,608)	(59,055)	(51,338)	(127,372)	(240,373)
Payments to employees.....	--	--	(18,110)	(941)	(19,051)
Payments for interfund services used.....	--	(1,661)	(1,257)	--	(2,918)
Other receipts (payments).....	1,170	(75)	(5,456)	--	(4,361)
Net cash provided by (used in) operating activities .....	7,309	52,409	(3,068)	(96,161)	(39,511)
Cash flows from noncapital financing activities:					
Operating transfers in .....	51	--	46,119	75,412	121,582
Operating transfers out .....	--	(46,995)	(33,363)	--	(80,358)
Contributions .....	--	--	--	21,788	21,788
Net cash provided by (used in) noncapital financing activities .....	51	(46,995)	12,756	97,200	63,012
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets .....	(443)	(71,380)	(231)	(251)	(72,305)
Proceeds from issuing notes .....	--	26,022	--	--	26,022
Principal paid on operating fee obligation .....	--	--	(16,873)	--	(16,873)
Interest paid on operating fee obligation .....	--	--	(13,740)	--	(13,740)
Proceeds from issuing bonds .....	--	134,397	2,000	--	136,397
Principal paid on notes .....	--	(4,441)	--	--	(4,441)
Principal paid on bonds .....	(4,869)	(1,012)	(16,683)	--	(22,564)
Interest paid on notes .....	--	(2,573)	--	--	(2,573)
Interest paid on bonds .....	(5,903)	(21,563)	(13,409)	--	(40,875)
Contributed capital .....	--	--	--	383	383
Net cash provided by (used in) capital and related financing activities .....	(11,215)	59,450	(58,936)	132	(10,569)
Cash flows from investing activities:					
Purchase of investments .....	(263,100)	(465,309)	(165,592)	(3,296)	(897,297)
Proceeds from maturities of investments .....	263,100	387,639	150,447	6,127	807,313
Principal received on notes receivable ...	593	--	13,106	--	13,699
Interest received on notes receivable ....	1	--	11,025	--	11,026
Withdrawals from restricted assets .....	1,159	--	--	--	1,159
Interest on investments .....	567	4,476	2,959	61	8,063
Net cash provided by (used in) investing activities .....	2,320	(73,194)	11,945	2,892	(56,037)
Net increase (decrease) in cash and cash equivalents .....	(1,535)	(8,330)	(37,303)	4,063	(43,105)
Cash and cash equivalents - July 1 .....	24,927	33,973	51,975	6,713	117,588
Cash and cash equivalents - June 30 .....	\$ 23,392	\$ 25,643	\$ 14,672	\$ 10,776	\$ 74,483
(Public Transportation includes \$816 in cash and cash equivalents in restricted assets)					

CITY AND COUNTY OF HONOLULU  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

	Business-type Activities-Enterprise Funds				
	Housing	Sewer	Solid Waste	Public Transportation System	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss) .....	\$ (1,217)	\$ 21,072	\$ (20,897)	\$ (111,461)	\$ (112,503)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Provision for losses on dwelling units and lots .....	2,757	--	--	--	2,757
Depreciation .....	3,583	29,983	16,629	14,768	64,963
Other revenues .....	1,223	--	201	--	1,424
Writeoff of capital assets .....	--	4,464	--	--	4,464
(Increase) decrease in accounts receivable .....	(2,108)	(366)	2,269	--	(205)
Increase in due from other funds .....	--	(1,661)	(1,734)	--	(3,395)
(Increase) decrease in parts, materials and supplies .....	--	(429)	--	1,130	701
Decrease in real estate held for sale .....	2,023	--	--	--	2,023
Increase in prepaid expenses and other assets .....	(16)	--	(39)	(81)	(136)
Increase (decrease) in trade accounts and checks payables .....	1,209	(1,114)	(1,241)	(340)	(1,486)
Increase in reserve for insurance claims payable .....	--	--	--	1,745	1,745
Increase (decrease) in deferred credits .....	(145)	--	59	(127)	(213)
Increase (decrease) in other liabilities .....	--	349	24	(1,795)	(1,422)
Increase in due to other funds .....	--	111	1,661	--	1,772
Net cash provided by (used in) operating activities .....	<u>\$ 7,309</u>	<u>\$ 52,409</u>	<u>\$ (3,068)</u>	<u>\$ (96,161)</u>	<u>\$ (39,511)</u>

Supplemental disclosure of noncash capital and related financing activities (amounts in thousands):

Housing

Amortization of deferred refinancing charges amounted to \$99 for the year ended June 30, 2002.

Sewer

The Sewer Fund received approximately \$2,066 in contributions of capital assets from government agencies and developers which are recorded as contributed capital at their cost or estimated cost for the year ended June 30, 2002.

Solid Waste

Amortization of bond discount amounted to \$134 for the year ended June 30, 2002.  
 Solid Waste received contributions of fixed assets from the City and County of Honolulu amounting to \$3,505 for the year ended June 30, 2002.

Public Transportation System

The Public Transportation System received contributions of fixed assets from the City and County of Honolulu amounting to \$35,992 for the year ended June 30, 2002.

## **Fiduciary Fund Financial Statements**

### **General Trust Fund**

This fund accounts for monies received by the various agencies of the City for specific purposes, as trustee, escrow agent, custodian or security holder, for which no special fund exists.

### **Treasury Trust Fund**

Receipts and disbursements of monies from this fund are made through commercial checking accounts authorized by the Director of Budget and Fiscal Services.

### **Real Property Tax Trust Fund**

This fund is used for the purpose of making refunds and adjustments relating to real property taxes.

CITY AND COUNTY OF HONOLULU  
**STATEMENT OF FIDUCIARY NET ASSETS**  
 FIDUCIARY FUNDS  
 JUNE 30, 2002  
 (Amounts in thousands)

	Private-purpose Trust Funds	Agency Fund
<b><u>ASSETS</u></b>		
Cash and cash equivalents .....	\$ 33,207	\$ 4,501
Investments .....	1,643	--
Other current assets .....	1,164	--
Total assets .....	<u>36,014</u>	<u>4,501</u>
<b><u>LIABILITIES</u></b>		
Checks payable .....	100	2,785
Accounts payable .....	4,005	--
Other current liabilities .....	--	1,716
Total liabilities .....	<u>4,105</u>	<u>4,501</u>
<b><u>NET ASSETS</u></b>		
Held in trust for individuals, organizations and other governments .....	<u>\$ 31,909</u>	<u>\$ --</u>

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF HONOLULU  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
 FIDUCIARY FUNDS  
 JUNE 30, 2002  
 (Amounts in thousands)

	Private-purpose Trust Funds
<b><u>ADDITIONS</u></b>	
Interest .....	\$ 118
Collections for sundry creditors, contributions, etc.....	<u>329,357</u>
Total additions .....	<u>329,475</u>
<b><u>DEDUCTIONS</u></b>	
Payments in accordance with trust agreements .....	<u>328,060</u>
Total deductions .....	<u>328,060</u>
Change in net assets .....	1,415
Net assets - July 1 .....	<u>30,494</u>
Net assets - June 30 .....	<u><u>\$ 31,909</u></u>

The notes to the financial statements are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

# **CITY AND COUNTY OF HONOLULU**

## **Notes to the Financial Statements**

### **1. Summary of Significant Accounting Policies**

#### **The Financial Reporting Entity**

The City and County of Honolulu, State of Hawaii (City) is a municipal corporation governed by an elected mayor and a nine-member City Council. The City operates under a City Charter, which was originally adopted in 1959 and last amended in 1998.

The accompanying financial statements present the operations of the City, as primary government, as well as its discretely presented component unit, the Board of Water Supply.

The City's operations are organized by the following general functions: general government, public safety, highways and streets, sanitation, health and human resources, culture and recreation, urban redevelopment and housing, and utilities or other enterprises.

State of Hawaii (State) agencies assume full responsibility for several major functions usually performed by local governments such as education, welfare, health and judicial functions. These agencies are not dependent on the City and therefore, are not included in these financial statements. There are no separate city, county or township governments nor any school district, special districts, authorities or public corporations with overlapping authority presented in the accompanying financial statements.

**Discretely Presented Component Unit** – The component unit column in the financial statements includes the financial data of the City's discretely presented component unit, the Board of Water Supply (Board), which is a semi-autonomous proprietary agency of the City. It is reported in a separate column to emphasize that it is legally separate from the City.

A majority of the members of the Board, the governing body, are appointed by the Mayor and confirmed by the City Council. The Board has been granted corporate powers by the City Charter. The City does not have the authority to modify or approve the Board's budgets. Water and revenue bonds payable of the Board are general obligations of the City. As the City would be obligated to repay these bonds in the event of default by the Board, the City is financially accountable for the debts of the Board. Complete financial statements of the Board may be obtained from the Board of Water Supply, 630 South Beretania Street, Honolulu, Hawaii 96843.

**Government-wide and Fund Financial Statements** – The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.



## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

The statement of activities reflects the direct expenses of the functional category or segment, which are supported by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means the amounts are determinable. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues not considered available are recorded as deferred revenues. Revenues susceptible to accrual are real property taxes collected within sixty days after fiscal year end, fuel taxes, rents and concessions, interest and special assessments. Licenses and permits revenues, franchise taxes, charges for current services, fines, forfeitures, penalties and other miscellaneous revenues are not susceptible to accrual because they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of these revenues. For one type of revenues, monies must be expended for a specific purpose or project and revenues are recognized to the extent of such expenditures. Revenues of this type are deferred for monies received in advance of expenditures and accrued for expenditures in advance of monies received. For the other type of revenues, monies are virtually unrestricted as to purpose of the expenditure. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City's fiduciary funds are presented in the fund financial statement by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**Fund Types** – The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund balances, revenues and expenditures/expenses. There are certain minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statement and detailed in the combining section.

The City has the following fund types:

#### **Governmental Fund Types**

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income.

The City's governmental fund types are as follows:

**General Fund** – The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** – Debt service funds are used to account for the accumulation of resources for, and the payment of, debt principal, interest and related costs.

**Capital Projects Funds** – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

# **CITY AND COUNTY OF HONOLULU**

## **Notes to the Financial Statements**

### **Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City maintains four proprietary enterprise fund types as well as its discretely presented component unit under the following criteria:

**Enterprise Funds** – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises (a) where the intent of the governing body is that the costs (i.e., expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

### **Fiduciary Funds**

The City maintains the following fiduciary fund types:

**Private-Purpose Trust Funds** – The private-purpose trust funds are used to account for resources held by the City for the benefit of parties outside the government.

**Agency Funds** – Agency funds are custodial in nature and are used to receive and disburse funds for an entity/individual, which is not part of the City. Agency funds function as a clearing account and do not measure results of operations.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted funds first, then unrestricted resources as they are needed.

The accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB). Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 are not applied in the

# **CITY AND COUNTY OF HONOLULU**

## **Notes to the Financial Statements**

presentation of the financial statements of the proprietary fund types in accordance with GASB Statement No. 20.

Effective July 1, 2001, the City adopted GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34," and GASB Statement No. 38, "Certain Financial Statement Note Disclosures." These Statements significantly change the financial reporting requirements for state and local governments. The implementation of these Statements required the City to retroactively and prospectively report all capital assets, net of accumulated depreciation, including infrastructure assets (long-lived capital assets such as roads, sidewalks, etc.) in the statement of net assets and report depreciation expense in the statement of activities. The Statements also required the City to report government-wide financial statements on the accrual basis of accounting, to focus on the government's major governmental and enterprise funds, and to present required supplemental information, which includes a management's discussion and analysis section.

### **Budgets and Budgetary Accounting**

Annual operating and project-length capital budgets are adopted on a basis consistent with GAAP except that encumbrances are treated as budgeted expenditures in the year the commitments are made.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable operating budget appropriation, is employed as an extension of formal budgetary integration in the general fund and in certain special revenue funds (in the fund financial statements). Capital projects funds (in the fund financial statements) employ encumbrance accounting in order to reserve for construction contracts that portion of the applicable capital projects appropriation.

Encumbrances are recorded at the time purchase orders, construction contracts or other contracts or commitments are awarded, except for contracts awarded contingent upon the availability of nonbudgeted federal or state grant monies. Encumbrances outstanding at year end are reported as reservations of fund balances (in the fund financial statements) and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

### **Cash and Investments**

Cash and cash equivalents are considered to be demand and time deposits primarily with various financial institutions in Hawaii, with fiscal agents, short-term investments with original maturity of three months or less from date of acquisition, and imprest and change funds. Cash on deposit with financial institutions is collateralized in accordance with State statutes.

## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

Investments consist of investments in U.S. government securities, investments purchased under agreements to resell to banks (repurchase agreements), time certificates of deposit and mutual funds. Included are participating interest-earning investment contracts (repurchase agreements and U.S. government securities), as well as nonparticipating interest-earning investment contracts (time certificates of deposit and repurchase agreements). Both categories of investments are stated at amortized cost.

The City values investments in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement provides fair value standards for investments in certain types of financial instruments. The City's investments fall into categories that can be valued by cost-based measures.

#### **Real Property Taxes**

Real property taxes are assessed and billed annually. The City's real property taxes, which are levied on July 1 and billed on July 20 of each year are based on assessed valuations as of January 1, and are due in two equal installments on the following August 20 and February 20. Accordingly, real property taxes receivable at June 30, 2002 are delinquent and amounts that are not collected within sixty days after year end are reported as deferred revenue in the fund financial statements. A lien for real property taxes attaches as of July 1 of each year.

#### **Unbilled Receivables**

Included in the enterprise fund – discretely presented component unit and enterprise fund – proprietary fund type receivables at June 30, 2002, were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$7.9 million and \$10.7 million, respectively.

#### **Inventories of Parts, Materials and Supplies**

Inventories of parts, materials and supplies are stated at weighted average cost, which approximates fair value. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

#### **Inventory of Real Estate Held for Sale**

Real estate held for sale is stated at the lower of cost or estimated net realizable value, with cost being determined by the specific identification method. All estimated costs to the anticipated date of disposition are considered in the determination of estimated net realizable value. Costs include all costs directly related to the planning of improvements to be constructed on the land, interest and other carrying charges. Interest on loans used to finance development or construction activities is capitalized during the development period.

#### **Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment and \$100,000 for buildings, structures and infrastructure, and an estimated useful life of more

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs related to repairs and maintenance are expensed as incurred. Depreciation on all assets is provided for on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Infrastructure	15-100
Buildings and improvements	10-50
Transmission and distribution system	13-60
Equipment and machinery	3-25
Buses and other transit vehicles	7-12

### **Intrafund and Interfund Transactions**

Interfund receivables and payables are reported in each fund. Transfers of financial resources between agencies and activities included in the same fund, which are recorded as revenues by the transferee and expenditures or expenses by the transferor, have been eliminated. Transactions that represent reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund reimbursed.

Operating transfers from the primary government include operating loss subsidies of \$75.4 million to the Public Transportation System and authorized transfers from funds receiving revenues to funds that will expend those resources. Contributions to the capital accounts of enterprise funds are reflected in the statement of revenue, expenses and changes in fund net assets.

### **Net Assets**

Net assets comprise the various net earnings (losses) from operating and nonoperating revenues, expenses, operating transfers and contributed capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted for capital activity and debt service; and unrestricted net assets. Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments at year-end are not included in the calculation of the amount invested in capital assets, net of related debt. Restricted for capital activity and debt service consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net assets consist of all other net assets not included in the above categories.

# **CITY AND COUNTY OF HONOLULU**

## **Notes to the Financial Statements**

### **Retirement Plan Contributions**

The City's contribution to the Employees' Retirement System of the State of Hawaii is based upon actuarial computations and is comprised of the normal cost plus a level annual payment required to amortize an unfunded actuarial accrued liability over the remaining period of 27 years from July 1, 2002. The City is required by State statute to fund the actuarially determined pension contribution requirement annually.

### **Deferred Compensation Plan**

All full-time employees of the City and its component unit are eligible to participate in the City and County of Honolulu's Public Employees' Deferred Compensation Program (Plan), adopted pursuant to Internal Revenue Code Section 457. The plan permits eligible employees to defer a portion of their salary until future years by contributing to a fund managed by a plan administrator. The deferred compensation amounts are not available to employees until termination, retirement, death or unforeseeable emergency.

A trust fund (annuity contract) was established to protect plan assets from claims of general creditors and from diversion to any uses other than paying benefits to participants and beneficiaries. Deferred compensation plan assets of \$259 million are not reported in the accompanying basic financial statements at June 30, 2002.

### **Compensated Absences**

The City accrues accumulated unpaid vacation when earned (or estimated to be earned) by the employee. Vacation benefits accrue at a rate of one and three-quarters working days for each month. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year.

Sick leave accumulates at the rate of one and three-quarters working days for each month, without limit. Sick leave is taken only in the event of illness and is not convertible to pay; accordingly, sick leave is not accrued in the accompanying financial statements. Employees who retire or leave government service in good standing with sixty or more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2002, accumulated sick leave amounted to \$276 million.

### **Leases**

Leases that transfer substantially all of the risks and benefits of ownership are accounted for as capital leases. Other leases are operating leases. Capital leases are included in fixed assets and, where appropriate, are amortized over the shorter of their estimated economic useful lives or lease terms. The related capital lease obligations are included in long-term debt. Operating leases are expensed (or expensed) when the related liability is incurred.

### **Enterprise Funds**

The City maintains five enterprise funds consisting of the Public Transportation System (PTS), the Solid Waste Special Fund, the Sewer Fund and the Housing Development Special Fund, which are included in the proprietary fund type, and the Board of Water Supply, which is a discretely presented component unit.

# **CITY AND COUNTY OF HONOLULU**

## **Notes to the Financial Statements**

Information describing these enterprise funds, including significant accounting policies, is described in Notes 12 and 16.

### **Deficit Balances**

At June 30, 2002, the \$98.9 million accumulated deficit in the Solid Waste Special Fund results from deficits of H-POWER due to operating transfers to the general fund and due to operating losses. It is anticipated that the City will continue to provide significant operating subsidies to the H-POWER facility to finance operations.

At June 30, 2002, the \$558.2 million unreserved – undesignated fund deficit in the total capital projects fund type results from encumbering the full amount of certain construction contracts to be financed by future bond sales and federal and state grant awards to be received in cash on a reimbursable basis.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses/expenditures, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

### **Financial Statement Presentation**

Certain prior year information have been presented in the supplementary fund financial statements in order to provide an understanding of the changes in financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

## **2. Budgets and Budgetary Accounting**

On or before March 3, the Mayor submits to the City Council proposed operating and capital projects budgets for the periods commencing the following July 1. The budgets are on a basis consistent with GAAP except that encumbrances are treated as budgeted expenditures in the year the commitments are made. After public hearings, and prior to June 15, the budgets are legally enacted through passage of a budget ordinance by the City Council.

Formal budgetary integration is employed (i.e., annual operating budgets are legally adopted) for the general fund and special revenue funds. Effective budgetary control for debt service, trust and agency, and revolving funds is achieved through bond indentures, contractual provisions and legislation. Formal budgetary integration is not employed for capital projects because effective budgetary control is achieved through contractual provisions and project oversight. Flexible budgeting (i.e., the relationship of costs to revenues) is employed for enterprise funds.



# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

Appropriations lapse at the end of the fiscal year if not expended or encumbered, except that appropriations for capital projects lapse six months after the end of the fiscal year if not at least partially expended or encumbered. Certain federal and state grant funds are automatically appropriated when received.

The Mayor is authorized to transfer appropriations between activities within a department. To transfer appropriations between departments, the legal level of budgeting, amendments must be made to the enacted budget ordinance. Only the Mayor may propose amendments to the enacted budget ordinance. Amendments for items not included in the enacted budget ordinances may be proposed by the Mayor or the City Council.

The financial statements aggregate budgetary information at the functional level. The legal level of budgetary control (i.e., department level) is reported in the individual fund statements.

The budget figures presented include all amendments to the enacted budget ordinances. During the year, several supplementary appropriations were necessary. The overall effect of these supplementary appropriations on the budget was not significant.

### 3. Restated Beginning Net Assets

The implementation of GASB Statement No. 34 resulted in the following adjustments to the City's June 30, 2001 net assets for the governmental activities (amounts in thousands):

	<b>Governmental Activities</b>
<b>Net Assets:</b>	
Fund balances at June 30, 2001, as previously reported by governmental fund type:	
General	\$ 41,536
Special revenue	58,983
Debt service	1,329
Capital projects	72,660
Total fund balances at June 30, 2001, as previously reported	<u>174,508</u>
GASB Statement No. 34 adjustments:	
Addition of:	
Net capital assets	1,441,291
Long-term liabilities	(1,235,774)
Accrued interest	(17,035)
Reductions of:	
Deferred credits offsetting long-term loans receivable in the fund statements	<u>79,699</u>
	<u>268,181</u>
Net Assets at June 30, 2001, as restated	<u><u>\$ 442,689</u></u>

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

### 4. Reconciliation of Government-Wide and Fund Financial Statements

#### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that, "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. However, all current and long-term liabilities are reported in the statement of net assets. The details of this \$1.5 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 9)	\$ (1,458,564)
Accrued interest payable	<u>(17,022)</u>
	<u>\$ (1,475,586)</u>

The government fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances of total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that, "Governmental funds report capital outlays as expenditures. The statement of activities reports depreciation expense on capital assets." The details of this \$129 million difference are as follows (amounts in thousands):

Capital outlays	\$ 177,028
Depreciation expense	<u>(47,588)</u>
	<u>\$ 129,440</u>

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

Another element of that reconciliation states that, "Proceeds from the issuance of long-term debt are reported as providing current financial resources in the governmental funds, but are reported as long-term debt in the government-wide financial statements. Repayment of such debt is reported as an expenditure for governmental funds but is reported as a reduction of debt in the government-wide financial statements. The details of this \$204 million difference are as follows (amounts in thousands):

**Debt Issued:**

General obligation bonds	\$ (243,000)
Tax-exempt commercial paper	(52,599)
Notes payable	(1,119)
Total	<u>(296,718)</u>

**Principal Repayments:**

General obligation bonds	38,706
Tax-exempt commercial paper	50,579
Other long-term debt	1,608
Other	1,493
Total	<u>92,386</u>
Net adjustment	<u><u>\$ (204,332)</u></u>

Another element of that reconciliation states that, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$18 million difference are as follows (amounts in thousands):

Compensated absences	\$ (3,751)
Claims and judgments	(4,478)
Early incentive retirement payable	561
Short-term debt	(9,300)
Other	(1,477)
Net adjustment	<u><u>\$ (18,445)</u></u>

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

### 5. Cash and Investments

The City maintains a cash and investment pool that is used by all funds including the component unit, except the workers' compensation trust fund, which is held separately by the independent plan administrator. Each of the funds' and the component unit's portion of this pool are displayed in the accompanying financial statements.

#### Cash and Cash Equivalents

The City's demand and time certificates of deposits, including those of its fiduciary funds and component unit, are categorized below to give an indication of the level of risk assumed at June 30, 2002. Category 1 includes bank balances, which are fully insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes bank balances that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes uninsured and uncollateralized cash.

Bank balances and deposits at June 30, 2002 were as follows (amounts in thousands):

	<b>Category</b>			<b>Bank</b>	<b>Carrying</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>Balances</b>	<b>Amount</b>
Primary government	\$ 78,559	\$ -	\$ 627	\$ 79,186	\$ 78,799
Component unit	25,392	-	-	25,392	25,392
<b>Total</b>	<b>\$ 103,951</b>	<b>\$ -</b>	<b>\$ 627</b>	<b>\$ 104,578</b>	<b>\$ 104,191</b>
Fiduciary funds	\$ 37,708	\$ -	\$ -	\$ 37,708	\$ 37,708

Approximately \$500,000 of total bank balances of deposits was covered by federal depository insurance.

The City reports cash with fiscal agents as City cash until the agents use the cash to pay the bond principal and interest amounts due. The fiscal agents typically pay the principal and interest amounts due within two days after receiving the cash from the City. At June 30, 2002, \$627,000 was classified as Category 3.

#### Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of other states, cities, and counties, mutual funds and bank repurchase agreements. Investments in repurchase agreements are primarily U.S. government or federal agency securities. To minimize credit risk, the City invests in U.S. government securities through the book entry systems of the two largest commercial banks in the State. Book entry securities are held in the banks' custodial (i.e., safekeeping) accounts at a Federal Reserve Bank.

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

The following tables present the City's investments at June 30, 2002 and provide information about the credit and market risks associated with the City's investments. Category 1 includes investments that are insured or registered, or securities held by the City or its agent in the City's name. Category 2 includes investments which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes investments which are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

Investment balances at June 30, 2002 were as follows (amounts in thousands):

	Category			Reported	Fair
	1	2	3	Amount	Value
<b>Primary Government:</b>					
Repurchase agreements	\$ 302,675	\$ -	\$ -	\$ 302,675	\$ 302,675
U.S. government securities	110,882	-	-	110,882	111,639
Total	<u>\$ 413,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413,557</u>	<u>\$ 414,314</u>
<b>Component Unit:</b>					
Mutual funds	\$ 54,565	\$ -	\$ -	\$ 54,565	\$ 54,565
U.S. government securities	100,784	-	-	100,784	100,784
Total	<u>\$ 155,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,349</u>	<u>\$ 155,349</u>
<b>Fiduciary Funds:</b>					
Repurchase agreements	<u>\$ 1,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,643</u>	<u>\$ 1,643</u>

**CITY AND COUNTY OF HONOLULU**  
**Notes to the Financial Statements**

**6. Receivables**

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2002 consisted of the following (amount in thousands):

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Real property taxes	\$ 5,234	\$ -
Accounts	510	33,655
Special assessments	14,133	-
Notes	54,128	3,501
Intergovernmental	16,414	-
Interest	774	3,014
Component unit – CASE fees	3,326	-
Allowance for uncollectible accounts	-	(1,641)
	<u>\$ 94,519</u>	<u>\$ 38,529</u>

The only receivables not expected to be collected within one year are the noncurrent portion of the notes receivable, which are generally due to the City on various dates through 2055.

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

### 7. Fixed Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2002 (amounts in thousands):

	Primary Government			
	Balance at July 1, 2001	Additions	Retirements/ Transfers	Balance at June 30, 2002
<b>Governmental Activities:</b>				
<b>Depreciable Assets –</b>				
Infrastructure	\$ 675,947	\$ 3,733	\$ (30)	\$ 679,650
Buildings and improvements	631,198	113,993	(1,744)	743,447
Equipment and machinery	193,689	28,876	(5,968)	216,597
Total depreciable assets	<u>1,500,834</u>	<u>146,602</u>	<u>(7,742)</u>	<u>1,639,694</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(345,310)	(11,814)	1	(357,123)
Buildings and improvements	(224,966)	(21,667)	29	(246,604)
Equipment and machinery	(113,040)	(14,107)	4,676	(122,471)
Total accumulated depreciation	<u>(683,316)</u>	<u>(47,588)</u>	<u>4,706</u>	<u>(726,198)</u>
	817,518	99,014	(3,036)	913,496
<b>Land</b>	406,453	24,004	-	430,457
<b>Construction Work in Progress</b>	<u>217,320</u>	<u>123,340</u>	<u>(113,882)</u>	<u>226,778</u>
<b>Governmental activities – capital assets, net</b>	<u>\$1,441,291</u>	<u>\$ 246,358</u>	<u>\$ (116,918)</u>	<u>\$1,570,731</u>
<b>Business-type Activities:</b>				
<b>Depreciable Assets –</b>				
Infrastructure	\$ 754,021	\$ 33,498	\$ -	\$ 787,519
Buildings and improvements	590,516	24,136	(6,298)	608,354
Equipment and machinery	405,126	25,770	(7,517)	423,379
Total depreciable assets	<u>1,749,663</u>	<u>83,404</u>	<u>(13,815)</u>	<u>1,819,252</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(33,041)	(17,508)	-	(50,549)
Buildings and improvements	(74,236)	(17,201)	3,226	(88,211)
Equipment and machinery	(238,657)	(30,254)	4,985	(263,926)
Total accumulated depreciation	<u>(345,934)</u>	<u>(64,963)</u>	<u>8,211</u>	<u>(402,686)</u>
	1,403,729	18,441	(5,604)	1,416,566
<b>Land</b>	85,350	19,436	(2,371)	102,415
<b>Construction Work in Progress</b>	<u>109,966</u>	<u>77,919</u>	<u>(59,579)</u>	<u>128,306</u>
<b>Business-type activities – capital assets, net</b>	<u>\$1,599,045</u>	<u>\$ 115,796</u>	<u>\$ (67,554)</u>	<u>\$1,647,287</u>

**CITY AND COUNTY OF HONOLULU**  
**Notes to the Financial Statements**

	<b>Component Unit</b>			
	<b>Balance at July 1, 2001</b>	<b>Additions</b>	<b>Retirements/ Transfers</b>	<b>Balance at June 30, 2002</b>
<b>Depreciable Assets –</b>				
Infrastructure	\$ 845,208	\$ 68,051	\$ (5,053)	\$ 908,206
Buildings and improvements	113,308	4,430	(183)	117,555
Equipment and machinery	149,139	14,296	(1,655)	161,780
Total depreciable assets	<u>1,107,655</u>	<u>86,777</u>	<u>(6,891)</u>	<u>1,187,541</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(287,951)	(19,557)	4,698	(302,810)
Buildings and improvements	(20,835)	(2,802)	-	(23,637)
Equipment and machinery	(75,499)	(8,797)	1,590	(82,706)
Total accumulated depreciation	<u>(384,285)</u>	<u>(31,156)</u>	<u>6,288</u>	<u>(409,153)</u>
	723,370	55,621	(603)	778,388
<b>Land</b>	29,562	500	-	30,062
<b>Construction Work in Progress</b>	<u>107,168</u>	<u>120,377</u>	<u>(100,586)</u>	<u>126,959</u>
<b>Component unit – capital assets, net</b>	<u><u>\$ 860,100</u></u>	<u><u>\$ 176,498</u></u>	<u><u>\$ (101,189)</u></u>	<u><u>\$ 935,409</u></u>

Depreciation expense was charged as follows (amounts in thousands):

**Governmental Activities:**

General government	\$ 11,492
Public safety	14,155
Highways and streets	10,502
Health and human resources	946
Culture-recreation	<u>10,493</u>
Total depreciation expense – governmental activities	<u><u>\$ 47,588</u></u>

**Business-type Activities:**

Sewer	\$ 29,982
Solid waste	16,630
Housing	3,583
Public Transportation System	<u>14,768</u>
Total depreciation expense – business-type activities	<u><u>\$ 64,963</u></u>

**Component Unit:**

Board of Water Supply (\$1,153 of depreciation expense was capitalized to projects.)	<u><u>\$ 30,003</u></u>
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# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

### 8. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2002 (amounts in thousands):

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 305	\$ 640
Highway Fund	22	-
General Improvement Bond Fund	-	7,298
Nonmajor Governmental Funds	408	373
Enterprise Funds:		
Sewer Fund	6,858	111
Solid Waste Special Fund	885	56
	<u>\$ 8,478</u>	<u>\$ 8,478</u>

There are no interfund balances that are not expected to be repaid by June 30, 2003.

The following is a summary of amounts transferred from and transferred to other funds at June 30, 2002 (amounts in thousands):

	<u>Transferred From Other Funds</u>	<u>Transferred to Other Funds</u>
General Fund	\$ 82,919	\$ 185,348
Highway Fund	-	45,303
G.O. Bond and Interest Redemption Fund	105,316	-
Nonmajor Governmental Funds	23,674	22,614
Enterprise Funds:		
Housing Development Special Fund	148	-
Sewer Fund	-	46,995
Solid Waste Special Fund	46,155	33,364
Public Transportation System	75,412	-
	<u>\$ 333,624</u>	<u>\$ 333,624</u>

The main purpose for these interfund transfers, as provided by ordinance, are for: the recovery of central administrative expenses; debt service payments and recoveries through the general fund; and reimbursement for capital contributions to the general fund. During 2002, \$41 million was transferred from the Sewer Fund to the general fund for reimbursement of capital contributions.

There are no significant transfers that either do not occur on a routine basis or are inconsistent with the fund making the transfer.

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

### 9. Long-Term Liabilities

The following is a summary of changes in long-term liabilities included in the governmental activities, business-type activities, and the component unit during the fiscal year ended June 30, 2002 (amounts in thousands):

	Balance at July 1, 2001	Additions	Reductions	Balance at June 30, 2002	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 1,093,784	\$ 243,000	\$ 38,706	\$ 1,298,078	\$ 44,985
Tax-exempt commercial paper	9,297	52,599	50,579	11,317	11,317
Special assessment bonds with government commitment	2,115	-	370	1,745	370
Notes payable to federal and state governments	3,700	1,119	199	4,620	228
Capital lease obligations (Note 13)	1,742	-	503	1,239	545
Installment purchase contracts	3,155	-	536	2,619	609
Compensated absences	68,915	24,654	20,903	72,666	5,137
Claims and judgments (Note 14)	52,468	21,686	17,208	56,946	12,321
Early incentive retirement payable	9,895	-	561	9,334	561
Total	<u>\$ 1,245,071</u>	<u>\$ 343,058</u>	<u>\$ 129,565</u>	<u>\$ 1,458,564</u>	<u>\$ 76,073</u>
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 441,431	\$ 7,000	\$ 31,336	\$ 417,095	\$ 32,452
Revenue bonds	319,453	136,020	1,010	454,463	1,050
Tax-exempt commercial paper	3	10,183	3	10,183	10,183
Notes payable to state governments	68,829	26,022	4,441	90,410	5,408
Operating fee obligation (Note 12)	95,689	-	1,365	94,324	4,203
Estimated liability for landfill closure and postclosure care costs (see Note 15)	13,152	-	1,125	12,027	69
Total	<u>\$ 938,557</u>	<u>\$ 179,225</u>	<u>\$ 39,280</u>	<u>\$ 1,078,502</u>	<u>\$ 53,365</u>
<b>Discretely Presented Component Unit:</b>					
Revenue bonds	<u>\$ 66,600</u>	<u>\$ 54,400</u>	<u>\$ -</u>	<u>\$ 121,000</u>	<u>\$ 780</u>

# **CITY AND COUNTY OF HONOLULU**

## **Notes to the Financial Statements**

### **General Obligation Bonds**

The City issues general obligation bonds for the construction of major capital facilities. General obligation bonds in the governmental activities are direct obligations of the City for which its full faith and credit are pledged. Debt service is paid from the debt service fund. These bonds were issued during the fiscal years 1977 through 2002 in the original amount of \$1.9 billion, less a discount (\$1.2 million at June 30, 2002 which is being amortized over the related term of the bond), bear interest at 2.85% to 8.75%, and mature serially through fiscal year 2025. General obligation debt authorized but not yet issued amounted to \$506 million at June 30, 2002.

General obligation bonds in the City's business-type activities are expected to be paid from their respective revenues. These instruments are also direct obligations of the City for which its full faith and credit is pledged. These bonds were issued during the fiscal years 1991 through 2002 in the original amount of \$886 million, less a discount (\$622,000 at June 30, 2002, which is being amortized over the related term of the bond), bear interest at 2.85% to 8.75%, and mature serially through fiscal year 2024.

In December 2001, the City issued Series 2001C general obligation bonds in the amount of \$250 million. The bonds bear variable interest rates and mature annually on December 1, 2006 through 2020. The Series 2001C bonds are subject to redemption, at the option of the City, in whole or in part on any interest payment date but not prior to December 4, 2002. Proceeds from the bonds will be used to fund the cost of certain public improvements and capital equipment of the City.

Short-term general obligation tax-exempt commercial paper in a maximum aggregate principal amount not to exceed \$150 million outstanding at any time was authorized for issuance by the City, in accordance with Ordinance 01-28, during June 2001, to refinance long-term bonds. The \$21.5 million commercial paper bear interest at variable rates (1.35% to 1.50% at June 30, 2002) with varying maturities to a maximum of 270 days from the respective date of issue, and are not subject to redemption prior to maturity. In connection with the issuance, the City entered into an irrevocable letter of credit agreement in which the City may borrow up to \$150 million for payment of principal and up to \$13.3 million for payment of interest. There were no drawings on the letter of credit during fiscal 2002.

Interest on certain variable-rate general obligation bonds reset weekly at prevailing rates.

### **Revenue Bonds**

Water system revenue bonds in the City's component unit were issued during fiscal years 2002 and 2001 in the original amounts of \$54.4 million and \$66.6 million, respectively. Water system revenue bonds are subject to redemption on and after specified dates prior to maturity at the option of the Board at a price equal to 100% of the principal amount thereof, plus accrued interest. The bonds bear interest at variable rates (1.45% auction rate to 4.0% at June 30, 2002) and mature serially through fiscal year 2032. Proceeds from the bonds were primarily used to fund the acquisition of a water reclamation facility, to fund capital

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

improvement projects and to retire outstanding bonds. The revenue bonds are collateralized by the component unit's revenues.

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 2002 (Series 2001) and 1999 (Series 1998) in the original amounts of \$136 million and \$319 million, respectively. The 2001 and 1998 Series are subject to redemption, at the option of the City, on or after July 1, 2011 and July 1, 2009, respectively. The bonds bear interest at 4.0% to 5.0% at June 30, 2002 and mature at various dates through fiscal year 2032. The revenue bonds are collateralized by the wastewater system revenues.

Annual debt service requirements to maturity for general obligation bonds (including tax-exempt commercial paper) and revenue bonds at June 30, 2002, including interest of \$1.3 billion, were as follows (amounts in thousands):

	Governmental Activities		Business-Type Activities		Component Unit		Total	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
<b>Year Ending June 30:</b>								
2003	\$ 65,247	\$ 44,985	\$ 43,880	\$ 33,502	\$ 4,167	\$ 780	\$ 113,294	\$ 79,267
2004	61,172	61,871	41,957	37,629	4,116	2,040	107,245	101,540
2005	57,806	65,480	39,655	38,874	4,056	2,135	101,517	106,489
2006	54,837	64,050	37,470	42,729	3,990	2,180	96,297	108,959
2007	52,034	74,759	35,426	43,840	3,921	2,290	91,381	120,889
2008 - 2012	195,749	412,912	142,460	183,485	18,456	13,135	356,665	609,532
2013 - 2017	98,879	315,107	121,559	125,411	16,012	16,535	236,450	457,053
2018 - 2022	34,394	226,562	86,252	137,909	12,718	21,060	133,364	385,531
2023 - 2027	3,420	43,669	39,709	146,312	8,514	26,745	51,643	216,726
2028 - 2032	-	-	7,844	92,050	5,190	34,100	13,034	126,150
<b>Total</b>	<b>\$ 623,538</b>	<b>\$ 1,309,395</b>	<b>\$ 596,212</b>	<b>\$ 881,741</b>	<b>\$ 81,140</b>	<b>\$ 121,000</b>	<b>\$ 1,300,890</b>	<b>\$ 2,312,136</b>

General obligation bonds are generally subject to redemption by the City for a premium.

Total interest costs incurred by the business-type activities and the component unit for the fiscal year ended June 30, 2002 was \$49.3 million, of which \$12.7 million was capitalized.

### Other Long-Term Debt

In December 1994, the City issued \$4.4 million of special assessment refunding bonds, which bear interest at variable rates (6.4% to 6.9% at June 30, 2002) and require annual principal and interest payments through fiscal year 2007. These bonds are collateralized by liens on the properties the assessments are levied against and are term bonds subject to prior redemption based on the availability of funds. They are reported under the governmental activities column of the City's government wide statement of net assets because, should collections of special assessments be insufficient, the City is authorized to use funds in the improvement district revolving fund to make principal and interest payments. These bonds amounted to \$1.7 million at June 30, 2002.

## CITY AND COUNTY OF HONOLULU

### Notes to the Financial Statements

The note payable to federal government is for the City's share of costs for a federal project to develop recreational facilities and fish and wildlife resources at the Kaneohe Reservoir. The note bears interest at 5.1% and requires annual principal and interest payments through fiscal year 2016. The note amounted to \$3.5 million at June 30, 2002.

The notes payable to state government are for the construction of necessary treatment works and for other projects intended for wastewater reclamation or waste management. The notes amounted to \$91.5 million at June 30, 2002, bear interest at 2.1% to 3.0%, and require annual principal and interest payments through fiscal year 2022.

The City has lease purchase contracts for certain equipment, which are accounted for as capital leases (see Note 13).

The City also utilizes installment purchase contracts to finance purchases of equipment. The equipment is recorded at cost.

Annual debt service requirements to maturity for the City's governmental activities and business-type activities for other long-term debt at June 30, 2002, including interest of \$28.5 million, were as follows (amounts in thousands):

Year Ending June 30:	Special Assessment Bonds		Notes, Leases and Contracts		Total	
	Interest	Principal	Interest	Principal	Interest	Principal
2003	\$ 105	\$ 370	\$ 3,133	\$ 6,790	\$ 3,238	\$ 7,160
2004	81	365	3,089	6,986	3,170	7,351
2005	56	365	2,884	6,635	2,940	7,000
2006	32	355	2,715	6,942	2,747	7,297
2007	10	290	2,530	6,253	2,540	6,543
2008 – 2012	-	-	9,741	33,700	9,741	33,700
2013 – 2017	-	-	3,680	24,329	3,680	24,329
2018 – 2022	-	-	425	7,253	425	7,253
Total	<u>\$ 284</u>	<u>\$ 1,745</u>	<u>\$ 28,197</u>	<u>\$ 98,888</u>	<u>\$ 28,481</u>	<u>\$ 100,633</u>

The compensated absences liability attributable to the governmental activities will be liquidated by primarily the City's general and highway funds.

#### Refunded Bonds

The City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the assets of the irrevocable trust and the liability for the defeased bonds are not included in the City's basic financial statements. At June 30, 2002, \$513 million of bonds outstanding were considered defeased.

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

### 10. Net Assets

At June 30, 2002, net assets of the primary government consisted of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
<b>Invested in Capital Assets, Net of Related Debt:</b>		
Net property, plant and equipment	\$ 1,570,731	\$ 1,647,287
Less:		
General obligation bonds payable	(1,298,078)	(417,095)
Revenue bonds payable	-	(454,463)
Notes payable and other long-term debt	(10,223)	(90,410)
Tax-exempt commercial paper	(11,317)	(10,183)
Amount of debt related to unspent debt proceeds	<u>24,343</u>	<u>50,374</u>
	275,456	725,510
<b>Restricted for Debt Service</b>	1,347	54,489
<b>Unrestricted</b>	<u>79,576</u>	<u>63,894</u>
Total net assets	<u><u>\$ 356,379</u></u>	<u><u>\$ 843,893</u></u>

### 11. Employee Benefit Plans

#### Defined Benefit Pension Plans

**Plan Description** – All full-time employees of the City are eligible to participate in the Employees' Retirement System of the State of Hawaii (ERS), a cost-sharing multiple-employer defined benefit pension plan. The ERS was established by Chapter 88 of the Hawaii Revised Statutes (HRS) and is governed by a Board of Trustees. All contributions, benefits and eligibility requirements are established by Chapter 88, HRS, and can be amended by legislative action.

The ERS is composed of a contributory retirement plan and a noncontributory retirement plan. Prior to June 30, 1984, the plan consisted of only a contributory option. In 1984, legislation was enacted to create a new noncontributory option for members of the ERS who are also covered under social security. Persons employed in positions not covered by social security are precluded from the noncontributory option. The noncontributory option provides for reduced benefits and covers most eligible employees hired after June 30, 1984. Employees hired before that date were allowed to continue under the contributory option or to elect the new noncontributory option and receive a refund of employee contributions. Both plans provide death and disability benefits and cost-of-living increases. In the contributory plan, employees may elect normal retirement at age 55 with 5 or 10 years of credited service or elect early retirement at any age with 25 years of credited service.

## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

Such employees are entitled to retirement benefits, payable monthly for life, of 2% or 2.5% of their average final salary, as defined for each year of credited service with certain limitations. Benefits fully vest on reaching 5 years of service; retirement benefits are reduced for early retirement. In the noncontributory plan, employees may elect normal retirement at age 62 with 10 years of credited service or at age 55 with 30 years of credited service, or elect early retirement at age 55 with 20 years of credited service. Such employees are entitled to retirement benefits, payable monthly for life, of 1.25% of their average final salary, as defined, for each year of credited service. Benefits fully vest on reaching 10 years of service; retirement benefits are reduced for early retirement.

The ERS issues a Comprehensive Annual Financial Report that may be obtained by writing to the Employees' Retirement System of the State of Hawaii, 201 Merchant Street, Suite 1400, Honolulu, Hawaii 96813.

**Funding Policy** – All funding requirements are established by Chapter 88, HRS, and can be amended by the State legislature. Covered contributory plan employees are required to contribute 7.8% or 12.2% of their salary to the plan; the City is required to contribute the remaining amounts necessary to pay contributory plan benefits when due. The City is also required to contribute all amounts necessary to pay noncontributory benefits when due. The City's contribution requirements are actuarially determined based on actuarial assumptions established by Chapter 88, HRS. Act 100 of the 1999 State Legislative Session authorizes the use of actuarial investment earnings in excess of a ten percent actuarial investment yield rate to reduce the City's contribution requirements. The City's contributions to the ERS, inclusive of its component unit, for the fiscal years ended June 30, 2000, 2001 and 2002 were \$10.3 million, \$1.1 million and \$34.4 million, respectively, which were equal to the required contributions for each year.

#### **Post-Retirement Health Care and Life Insurance Benefits**

In addition to providing pension benefits, the State of Hawaii Public Employees Health Fund provides certain health care (medical, prescription, vision and dental) and life insurance benefits for retired City employees. Contributions are based on negotiated collective bargaining agreements and are limited by State statute to the actual cost of benefit coverage. Prior to July 1, 1996, the City pays for 100% of these benefits for employees who have at least 10 years of service. According to Act 217, SLH 1995, employees hired after June 30, 1996 with 25 years or more of service receive 100% employer funding. The City's share of the cost of these benefits is prorated for employees with less than 25 years of service. The City also reimburses 100% of Medicare expenses for retirees and qualified dependents (through the State) who are at least 65 years of age and have at least 10 years of service. Currently, approximately 9,124 retirees and qualified dependents are receiving post retirement health care and benefits paid for by the City. The City's contributions for post retirement benefits, which are funded as accrued, amounted to \$32 million for the fiscal year ended June 30, 2002.

# **CITY AND COUNTY OF HONOLULU**

## **Notes to the Financial Statements**

### **Early Retirement Incentive**

Act 212 of the 1994 regular session of the State legislature authorized an early retirement incentive to state and county employees with at least 25 years of service as of December 31, 1994. Qualifying employees received two additional years of service credits for purposes of calculating their retirement benefits. 571 City employees received early retirement benefits, which cost the City \$7.5 million in payouts for accrued vacation during fiscal 1995.

Act 216 of the 2000 State Legislative Session lowered the employer contributions to ERS by extending the payment schedule for the actuarial present value cost of the early retirement incentive bonus from 5 to 19 years effective for the year end 1999. The City's annual payments amount to \$1,070,400 per year. Based on the per-employee analysis of additional retirement contributions calculated by the ERS, the additional retirement contribution, including interest, to be paid by the City for the early retirees is \$20.3 million. At June 30, 2002, the remaining balance was \$9.3 million.

## **12. Enterprise Funds**

The City maintains five enterprise funds: the Housing Development Special Fund, the Sewer Fund, the Solid Waste Special Fund and the Public Transportation System, which are business-type activities, and the Board of Water Supply, which is a discretely presented component unit.

### **Housing Development Special Fund**

The Housing Development Special Fund was created to develop affordable housing for sale or for rental by the City. At June 30, 2002, the City had \$123.3 million of general obligation bonds outstanding, which were used to finance the development of various residential lots and recreational facilities.

During the fiscal year ended June 30, 2002, the City evaluated the recoverability of its dwelling units and lots and determined that estimated future cash flows were below the carrying value of the dwelling units and lots. Accordingly, the City adjusted the carrying value of the dwelling units and lots to their estimated net realizable value by recording a provision for losses on dwelling units and lots of \$2.8 million.

### **Sewer Fund**

The Sewer Fund was created to account for the operations of the City's wastewater system and is operated primarily through user charges. The Sewer Fund also accounts for the proceeds of revenue bonds issued to pay all or part of those appropriations for improvements, repairs, and maintenance of the wastewater treatment system.

During 2002, the City identified capital assets belonging to the Sewer Fund that were erroneously recorded in the City's general fixed assets, certain assets that were required to be capitalized and certain assets acquired by contribution, which had never been recorded. Therefore, the Sewer Fund's prior year's financial statements have been restated to reflect



## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

these additional assets, related depreciation expense and contributed capital, which resulted in an adjustment of approximately \$213.7 million to the July 1, 2001 net asset balance.

The City also determined that the inventories of materials and supplies and related expense were overstated at June 30, 2001 based on a study performed by a third party in 2002. As a result, the materials and supplies expense and the year-end inventory balances were restated, resulting in an adjustment of approximately (\$7.7 million) to the July 1, 2001 net asset balance.

The total impact of these changes was an increase of approximately \$206 million to the July 1, 2001 net asset balance previously reported.

#### **Solid Waste Special Fund**

The Solid Waste Special Fund accounts for the following activities related to the operations of the refuse division:

- the City's refuse collection and disposal operations, which are funded primarily through general fund subsidies.
- the recycling program revenues assessed as 4% of refuse disposal charges and are expended for the establishment, operation, management and expansion of the City's recycling programs, including programs for waste reduction, development of recycling markets and recycling awareness.
- the glass incentive program revenues derived for the recycling of glass containers and paying incentives to glass recyclers.
- operation of the solid waste disposal and energy and materials recovery project (H-POWER Facility).

#### **H-POWER Facility**

The City has agreements with Honolulu Resource Recovery Venture (HRRV) to operate a solid waste disposal and energy recovery project, the Honolulu Program of Waste Energy Recovery (the "H-POWER Facility"). The H-POWER Facility processes and disposes of solid waste and, together with combustion facilities, produces steam used for the generation of electricity. Revenues are generated from user tip fees and from the sale of energy products and recovered materials. The operating agreement with HRRV has a 20-year term, and the H-POWER Facility's revenues and expenses are reported in the accompanying financial statements. The operating agreements also require a supplemental operating fee to be paid by the City equivalent to the ground lease payments. The H-POWER Facility commenced commercial operations on May 21, 1990, and the City has a 20-year contract to sell electricity generated to a utility company.

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

In November 1989, the City sold the H-POWER Facility for \$312.5 million, receiving an \$80 million cash payment and a 20-year note for \$232.5 million with interest at 8.04%. On the same date, HRRV entered into a 20-year lease for the H-POWER Facility with the new owner. Although the City is not a party to this lease agreement, the operating fee to be paid by the City to HRRV was increased by an amount equal to the lease payments. Accordingly, the H-POWER Facility has been recorded as an asset and a liability in the H-POWER Facility enterprise fund at an amount equal to the present value of this increase in the operating fee for the lease payments.

In November 1989, the City leased the land underlying the H-POWER Facility to the owner of the H-POWER Facility for 35 years.

The note receivable and the obligation for the increase in the operating fee for the H-POWER facility lease payments (\$126.2 million and \$220.5 million at June 30, 2002, respectively) have been offset for financial statement reporting purposes. At June 30, 2002, future payments are as follows (amounts in thousands):

<b>Year Ending June 30:</b>	<b>Operating Fee Obligation</b>	<b>Note Receivable</b>	<b>Difference</b>
2003	\$ 30,613	\$ 23,926	\$ 6,687
2004	30,613	23,321	7,292
2005	30,613	22,894	7,719
2006	30,613	24,294	6,319
2007	30,613	21,881	8,732
2008-2010	154,340	55,752	98,588
Subtotal	307,405	172,068	135,337
Less amount representing interest	86,879	45,866	41,013
Total	<u>\$ 220,526</u>	<u>\$ 126,202</u>	<u>\$ 94,324</u>

At June 30, 2002, the City had \$143.5 million of general obligation bonds outstanding, which were used to finance the construction of the H-POWER Facility.

### **Public Transportation System**

The Department of Transportation Services oversees the administration and operation of the Public Transportation System (the City's bus and paratransit systems or "PTS") on the island of Oahu.

The City has an agreement with Oahu Transit Services, Inc. (OTS), which expires on September 30, 2007, to provide for the management of the City's bus and paratransit systems. OTS provides the employees to operate and manage the bus and paratransit systems.

## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

The City reimburses OTS for operating expenses. In addition, the agreement requires the City to pay OTS an annual management fee of \$365,000 through September 30, 2007.

The agreement provides that the City furnish, but retain title to, the transit buses, paratransit buses, properties, facilities and equipment used in the systems. Revenues collected by OTS, excluding management fees, are the property of the City and are remitted to a depository controlled by the City.

During fiscal 2002, the City and OTS identified certain property and equipment, which should have been recorded in the PTS financial statements in prior years. Accordingly, the property and equipment, net of accumulated depreciation amounting to approximately \$20 million, resulted in an adjustment to the July 1, 2001 net asset balance previously reported.

**Restricted Assets** – OTS established trust funds for the purpose of maintaining adequate funds for expenses incurred through its workers' compensation, general, and auto liability self-insurance programs. At June 30, 2002, the restricted assets held by OTS amounted to \$819,000.

**Reserve for Insurance Claims Payable** – The City sponsors an automotive and general liability self-insurance program for OTS. The self-insurance program is for claims up to \$1,000,000. The City also implemented a workers' compensation self-insurance program, which covers OTS claims up to \$300,000 per occurrence for policy periods through June 30, 1995 and \$250,000 per occurrence for policy periods after July 1, 1995. OTS has obtained excess insurance coverage for general liability, automotive claims and workers' compensation through various insurance companies for amounts in excess of claims covered under the two self-insurance programs.

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

### 13. Commitments

#### Leases

The City leases equipment and office space under capital and operating leases, which expire at various dates through 2055. At June 30, 2002, the cost of equipment recorded under capital lease arrangements and included in capital assets amounted to \$5.9 million.

Future minimum obligations under capital and operating leases at June 30, 2002 were as follows (amounts in thousands):

Year Ending June 30:	<u>Capital Leases</u>	<u>Operating Leases</u>
2003	\$ 625	\$ 1,824
2004	625	1,639
2005	104	1,505
2006	-	1,194
2007	-	653
2008 – 2012	-	442
2013 – 2017	-	355
2018 – 2022	-	355
2023 – 2027	-	355
2028 – 2032	-	193
2033 – 2055 (\$175 for each five-year increment except \$107 for 2052 – 2055)	-	807
Total minimum payments	1,354	<u>\$ 9,322</u>
Less amount representing interest	115	
Present value of future minimum capital lease payments	<u>\$ 1,239</u>	

Certain leases provide for payment of common area charges and for periodic renegotiation of rents. Rent expense under operating leases, principally recorded in the general fund, amounted to \$4.6 million for the fiscal year ended June 30, 2002.

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

The City leases to others concession rights and real property under operating leases, which expire at various dates through 2049. Certain leases provide for periodic renegotiation of rents. Future minimum rental income under such leases at June 30, 2002 were as follows (amounts in thousands):

**Year Ending June 30:**

2003	\$ 7,381
2004	7,203
2005	6,845
2006	6,490
2007	6,322
2008 – 2012	19,976
2013 – 2017	10,143
2018 – 2022	8,051
2023 – 2027	6,737
2028 – 2032	6,732
2033 – 2037	6,722
2038 – 2042	6,632
2043 – 2049	2,180
	<hr/>
Total minimum rental income	\$ 101,414
	<hr/>

### **Other Commitments**

Business-type activities, which do not employ encumbrance accounting, have contractual commitments of approximately \$333 million at June 30, 2002, primarily for construction contracts, which includes the Board's commitments of \$144 million. Other contractual commitments for the expenditure of City monies are encumbered in the governmental funds.

### **Litigation**

OTS and the City are involved in various lawsuits arising from the normal operations of the City bus and paratransit systems. Claims for punitive damages related to certain lawsuits may not be covered by insurance.

## **14. Contingent Liabilities**

The City is exposed to various risks of loss due to claims filed against the City for personal injury, property and other damages. The City's Corporation Counsel reported that these cases are set for pretrial conferences, awaiting actions from plaintiffs, being investigated, ready for trial calendar, or on appeal.

The City is substantially self-insured for workers' compensation claims, general liability claims up to \$1 million, except for public official's liability insured up to \$100,000, and automobile claims up to \$1 million, with certain exceptions. The City purchases excess liability insurance through insurance companies for claims in excess of self-insured amounts as well as when

## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

required by contract or law. Settled claims have not exceeded these coverages in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The basis for estimating the liabilities for unpaid claims includes the effects of specific incremental claim adjustment expenses, salvage, and subrogation, and other allocated or unallocated claim adjustment expenses. At June 30, 2002, the estimated total liability of the City for claims and judgments amounted to \$56.9 million, which included claims incurred but not reported by the claimant and settled claims for which funds have not yet been appropriated. The estimated total liability has been determined through case-by-case analysis and from actuary studies performed by independent third parties. Expenditures for claims and judgments are appropriated annually. In the opinion of management, the City has adequately reserved for such claims.

The City is subject to a number of claims arising from the City's designation and downzoning of several parcels of property in East Honolulu to prevent shoreline development. The City conducted settlement discussions with the landowners, including a settlement proposal in which the landowners would drop their claims in return for development approvals. However, due to strong opposition, settlement discussions ceased and the matters have resumed in court. The City estimates that the possible loss will be approximately \$30 to \$50 million based on the value of the property. Should the damages be assessed based on the lost profits had the plaintiff been able to develop the property, the total liability could exceed \$100 million.

While the ultimate liability for the matter described in the previous paragraph cannot be determined, it is the City's belief that this claim is not likely to have a material adverse effect on the City's financial position. Accordingly, no provisions for any liabilities that might result from the resolution of these claims have been made in the accompanying financial statements.

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

The following is a summary of changes in the claims and judgments liability account during the fiscal year (amounts in thousands):

	<b>Automobile and General Liability</b>	<b>Workers' Compensation</b>	<b>Total</b>
<b>Balance at July 1, 2000</b>	\$ 22,980	\$ 36,478	\$ 59,458
Incurred losses and loss adjustment expenses	2,396	6,059	8,455
Payments	<u>(4,089)</u>	<u>(11,356)</u>	<u>(15,445)</u>
<b>Balance at June 30, 2001</b>	21,287	31,181	52,468
Incurred losses and loss adjustment expenses	3,123	18,563	21,686
Payments	<u>(4,846)</u>	<u>(12,362)</u>	<u>(17,208)</u>
<b>Balance at June 30, 2002</b>	<u>\$ 19,564</u>	<u>\$ 37,382</u>	<u>\$ 56,946</u>

The claims and judgment liability will be liquidated from the City's general fund.

### 15. Environmental Issues

#### **Solid Waste Landfill Costs**

GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs," which is based on the October 9, 1991 United States Environmental Protection Agency (EPA) rule, "Solid Waste Disposal Facility Criteria," establishes closure requirements for all municipal solid waste landfills that receive waste after October 9, 1991. The EPA rule also establishes thirty-year postclosure care requirements for those landfills that accept solid waste after October 9, 1993 or for those landfills that stopped accepting solid waste between October 9, 1991 and October 9, 1993 and have not met certain requirements established by the EPA rule. In accordance with GASB Statement No. 18, the City estimates in advance the total cost of closure and postclosure care during the life of those landfills rather than after their closings.

Federal and state laws and regulations require the City to place final covers on certain landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Annual additions to the liability for closure and postclosure care costs are based on landfill capacity used as of each balance sheet date. The \$12.0 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2002 represents the cumulative amount reported to date based on the percentage of the estimated capacity used for the following landfills (amounts in thousands). Actual costs may differ from estimates if additional postclosure care requirements

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

are determined (due to inflation or deflation, changes in technology, or changes in applicable laws or regulations).

	<u>Capacity Used</u>	<u>Closure Date</u>	<u>Liability at June 30, 2002</u>	<u>Total Estimated Cost</u>
Waipahu incinerator landfill	100.0%	October 1991	\$ 8,277	\$ 9,600
Kapaa sanitary landfill	100.0%	May 1997	3,750	12,797
Total			<u>\$ 12,027</u>	<u>\$ 22,397</u>

For fiscal year 2002, the City has provided the financial resources that will be available to provide for closure, postclosure care and remediation or containment of environmental hazards at the above landfills. The EPA has proposed amendments to the existing financial assurance rules. The proposed amendments added a local government financial test consisting of a financial component, a public notice component, and a recordkeeping and reporting component. Local governments are required to satisfy each of the three components to pass the annual test. Management believes that the City has satisfied each of the components of the local government financial assurance requirements.

### **Clean Water Act**

In 1991, the EPA filed an administrative action against the City alleging violations of the Clean Water Act and conditions and limitations of the National Pollutant Discharge Elimination System Permits by failing to develop and administer pretreatment programs for all of its treatment plants and for unauthorized discharges from the collection system. As a result of a settlement reached between the EPA and the City, a consent decree has been filed which requires certain compliance actions and penalties of \$1.2 million, which were paid in fiscal year 1995. The City has implemented certain compliance actions such as developing rehabilitation and maintenance of the collection system and implementation of the plans. The City has committed to spend at least \$20 million for effluent reuse.

The City has committed to spend at least \$10 million for sludge reuse. Sludge reuse is being accomplished through the U.S. Navy Biosolids Treatment Facility. The cost to the City is \$82 per wet ton of sludge delivered to the facility; currently, the City is delivering an average of 7.2 dry tons (20.1 wet tons) a day. The consent decree cites potential stipulated penalties of \$2,000 per day per violation for failure to comply.

The State and certain environmental groups (nonprofit organizations) also filed actions against the City for declaratory judgment, injunctive relief and civil penalties for violations of the Clean Water Act for the following wastewater treatment plants.

**Kailua and Kaneohe** – As a result of a settlement reached between the parties, a consent decree has been filed for the Kailua and Kaneohe plants, which requires certain compliance actions such as developing a facilities plan, constructing a feasible ultraviolet



## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

disinfection facility and establishing and supporting an advisory council. The conceptual facilities plan and the environmental impact statement preparation notice were completed in September 1998. The design phase of the ultraviolet disinfection project was completed in October 1998. Responses to public comments were completed in June 1999. The City contracted a construction company to complete the construction phase for approximately \$2.3 million, which was completed in November 2000. Approximately \$4.3 million and \$2.3 million has been paid as of June 30, 2002 and 2001, respectively, related to these compliance actions. The Kailua Bay Advisory Council was established in October 1995. The City established a \$2.1 million trust fund; hired a program administrator and a third party to provide watershed mapping services; awarded grant projects to four community groups; developed short-term implementation plans for erosion control initiatives, stream bank restoration and refuse control; and developed a web site for the Kailua Bay Advisory Council to disseminate information to the public.

The consent decree cites total costs of at least \$7.4 million for capital improvements, consulting and other fees. The consent decree cites stipulated penalties of \$500 per day per violation for failure to meet the specified obligations and deadlines. The City has not been assessed any penalties, as the specified obligations and deadlines continue to be met. The Kaneohe treatment facility has been converted into a temporary treatment facility.

**Wahiawa** – A civil action was filed by the State for operating the Wahiawa plant without a permit. Settlement with the State was reached and a consent decree was approved on February 27, 1998. The consent decree requires the City to upgrade the existing treatment plant to produce water suitable for reuse and adjust the outfall. The consent decree stipulates damages of \$600,000 plus \$1,000 – \$5,000 per day if the upgrades are not completed by specified deadlines. In June 2001, the City completed construction of the reclamation system, which amounted to approximately \$12 million. As required by the consent decree, the City also disbursed \$150,000 to various agencies for supplemental environmental projects. A motion to terminate the consent decree has not been filed by the State or City.

**Sand Island** – The Sand Island wastewater treatment plant operates under a 301(h) waiver permit issued by the EPA. The current permit was effective November 1998. That permit included, amongst other things, a specific timetable for various construction projects related to the Sand Island plant. In October 1999, the EPA issued a finding of violation and order for compliance that required corrective measures and compliance with the November 1998 permit. Although the City responded to that order, some of the construction projects are behind the permit schedule due to unanticipated construction difficulties. For example, an Ultraviolet Disinfection facility was to be constructed by July 1, 2002. That facility is still under construction and is not currently estimated to be completed until December 31, 2003. In October 2002, the EPA identified that the Sand Island plant violated certain discharge limits and ordered the City to stop discharge violations at the Sand Island plant and to submit a plan by December 1, 2002, to bring the facility into continuous compliance with its EPA permit. The City submitted the required

## **CITY AND COUNTY OF HONOLULU**

### **Notes to the Financial Statements**

plan and compliance schedule on November 29, 2002. The EPA has reviewed the plan and is currently discussing it with the City. Failure to comply with the EPA orders could result in fines up to \$27,500 per day and a revocation or non-renewal of the 301(h) waiver permit. Revocation or non-renewal of the 301(h) waiver permit would require the City to upgrade the Sand Island plant to a secondary facility at a construction cost of hundreds of million of dollars.

**Kahuku** – The State issued a notice of apparent violation resulting from discharge of chlorinated secondary filtered effluent from an effluent pipe break at the Kahuku Wastewater Treatment Plant onto private property. The City has not been assessed any penalties, however, \$750,000 in costs were incurred to construct a new line.

In the opinion of management, the final outcome of the order and complaints as described above are unknown at this time but should not have a material adverse effect on the City's financial statements.

#### **16. Component Unit Disclosure**

##### **Board of Water Supply**

The Board is a semi-autonomous agency of the City which has full and complete authority to manage, control and operate the City's water system and related properties.

**Other Legal Matters** – The Board is party to various legal proceedings arising in the normal course of business. The outcome of individual matters is not predictable. However, management believes that the ultimate resolution of all such matters, after considering insurance coverages, will not have a material adverse effect on the Board's financial position, results of operations or liquidity.

##### **Major Transactions with the City –**

**Billing and Collection Services** – The Board has an agreement with the Department of Environmental Services, City and County of Honolulu to provide certain services through June 30, 2004, relating to the billing and collection of sewer service charges. Fees related to these services were negotiated at approximately \$100,000 per year through fiscal 2003. The fees for fiscal 2004 are subject to renegotiation. The revenues related to these fees are included in other operating revenues and the corresponding expense in the Sewer Fund.

**Central Administrative Services Expense (CASE) Fee** – During fiscal year 2000, the Board entered into an agreement with the City to pay a Central Administrative Services Expense (CASE) fee for treasury, personnel, purchasing and other services that the City provides to the Board on an on-going basis. For fiscal year 2001, the CASE fee was calculated as 4% of the Board's total operating budget less budgeted transfers to the capital improvement, renewal replacement, and other Board funds. The Board's Charter allows for a CASE fee to the extent that it represent a reasonable charge for

# CITY AND COUNTY OF HONOLULU

## Notes to the Financial Statements

services necessary for the Board to perform its duties. Although CASE fees for fiscal year subsequent to 2001 are currently being negotiated between the Board and the City, the Board accrued their best estimate of approximately \$3.3 million for fiscal year 2002.

**Honouliuli Reclamation Facility** – In July 2000, the Board entered into a Water Reclamation Facility Sale Agreement and Assignment of Water Reclamation Facility Agreement (the Sale Agreement) with a third-party contractor and the City for the purchase of a water reclamation plant. The total cost of the acquisition is estimated at \$51.6 million, including the initial purchase price of \$48.1 million for the plant and \$3.5 million for certain components of the distribution system. Of the initial purchase price, \$44 million was paid as of June 30, 2002 and the remaining balance of \$4.1 million is to be paid when the facility meets certain performance standards specified in the Sale Agreement and is included in contracts payable from restricted assets at June 30, 2002.

In conjunction with the acquisition, the Board also executed a 20-year service contract with the same third-party contractor to provide design, engineering, operations and maintenance services for the facility. The Board provided for separate financing of the acquisition through a bond offering in fiscal 2002.

During fiscal 2002, the Board had determined that the customer advance liability was overstated as the liability was not properly reduced and recognized as contributions in aid of construction revenue when the related water service was made available to the customer. Accordingly, proper adjustments were made to correct the customer advance liability and contributions in aid of construction revenue, which resulted in an adjustment of approximately \$39.6 million to the July 1, 2001 net asset balance as follows (amounts in thousands):

Net assets, as previously reported	\$ 908,004
Adjustment	<u>39,630</u>
Net assets, as restated	<u><u>\$ 947,634</u></u>

**REQUIRED SUPPLEMENTARY  
INFORMATION OTHER THAN MD&A**

## **BUDGETARY COMPARISON SCHEDULES**

For a brief explanation of the General Fund and Highway Fund, please refer to the divider page for the Governmental Fund Financial Statements preceding page 35.

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes .....	\$ 394,234	\$ 394,234	\$ 407,270	\$ 13,036
Licenses and permits .....	25,873	25,873	25,897	24
Intergovernmental .....	39,117	39,117	32,063	(7,054)
Charges for services .....	3,865	3,865	3,912	47
Fines and forfeits .....	125	125	249	124
Miscellaneous:				
Reimbursements and recoveries .....	79,874	79,874	76,706	(3,168)
Interest .....	10,002	10,002	7,519	(2,483)
Other .....	13,258	13,258	21,023	7,765
Total Revenues .....	<u>566,348</u>	<u>566,348</u>	<u>574,639</u>	<u>8,291</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services .....	12,172	12,464	11,940	524
City Clerk .....	2,358	2,433	2,341	92
City Council .....	4,587	4,627	4,445	182
Corporation Counsel .....	7,917	7,917	9,073	(1,156)
Customer Services .....	18,428	18,671	17,351	1,320
Design and Construction .....	14,340	13,715	12,729	986
Facility Maintenance .....	10,307	10,159	9,787	372
Human Resources .....	4,395	4,555	4,451	104
Information Technology .....	9,843	9,347	8,099	1,248
Mayor .....	6,232	6,190	5,609	581
Planning and Permitting .....	7,086	7,101	6,345	756
Prosecuting Attorney .....	12,239	12,309	12,159	150
Total General government .....	<u>109,904</u>	<u>109,488</u>	<u>104,329</u>	<u>5,159</u>
Public safety:				
Emergency Services .....	4,936	5,425	5,339	86
Fire .....	57,596	59,156	58,928	228
Mayor .....	563	605	574	31
Medical Examiner .....	973	973	972	1
Planning and Permitting .....	4,061	4,046	3,965	81
Police .....	142,650	142,650	136,009	6,641
Total Public safety .....	<u>210,779</u>	<u>212,855</u>	<u>205,787</u>	<u>7,068</u>
Highways and streets:				
Facility Maintenance .....	6,328	6,328	5,856	472
Sanitation:				
Environmental Services .....	47	47	28	19
Health and human resources:				
Community Services .....	2,231	2,231	1,995	236
Emergency Services .....	15,082	15,082	13,727	1,355
Total Health and human resources .....	<u>17,313</u>	<u>17,313</u>	<u>15,722</u>	<u>1,591</u>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Culture-recreation:				
Enterprise Services .....	69	69	69	--
Mayor .....	1,563	1,563	1,541	22
Parks and Recreation .....	43,835	43,835	42,275	1,560
Total Culture-recreation .....	45,467	45,467	43,885	1,582
Miscellaneous:				
Retirement and health benefits:				
Budget and Fiscal Services .....	120	120	68	52
City Council .....	1,418	1,418	1,387	31
Provisional .....	80,326	81,383	80,192	1,191
Total Retirement and health benefits .....	81,864	82,921	81,647	1,274
Other:				
Budget and Fiscal Services .....	6,267	6,267	6,118	149
City Council .....	210	82	12	70
Provisional .....	22,743	18,848	13,918	4,930
Total Other .....	29,220	25,197	20,048	5,149
Total Miscellaneous .....	111,084	108,118	101,695	6,423
Debt Service:				
Budget and Fiscal Services .....	359	359	359	--
City Council .....	--	12	12	--
Customer Services .....	--	25	25	--
Design and Construction .....	--	625	625	--
Information Technology .....	--	496	496	--
Total Debt service .....	359	1,517	1,517	--
Total Expenditures .....	501,281	501,133	478,819	22,314
Revenues over Expenditures .....	65,067	65,215	95,820	30,605
Other Financing Sources (Uses):				
Sales of general fixed assets .....	200	200	187	(13)
Operating transfers in .....	85,590	85,590	82,919	(2,671)
Operating transfers out .....	(197,896)	(198,044)	(185,348)	12,696
Total Other Financing Sources (Uses) .....	(112,106)	(112,254)	(102,242)	10,012
Net change in Fund Balance .....	(47,039)	(47,039)	(6,422)	40,617
Encumbrances .....	--	--	19,236	19,236
Fund Balance - July 1 .....	47,121	47,121	41,536	(5,585)
Fund Balance - June 30 .....	<u>\$ 82</u>	<u>\$ 82</u>	<u>\$ 54,350</u>	<u>\$ 54,268</u>

Budgetary basis includes encumbrances.

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 67,600	\$ 67,600	\$ 70,476	\$ 2,876
Licenses and permits .....	26,508	26,508	27,800	1,292
Charges for services .....	3,927	3,927	4,123	196
Fines and forfeits .....	12	12	2	(10)
Miscellaneous:				
Reimbursements and recoveries .....	318	318	144	(174)
Interest .....				--
Other .....	1,413	1,413	4,358	2,945
<b>Total Revenues .....</b>	<b>99,778</b>	<b>99,778</b>	<b>106,903</b>	<b>7,125</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Design and Construction .....	3,350	3,350	3,193	157
Facility Maintenance .....	6,499	6,999	6,953	46
Planning and Permitting .....	1,328	1,328	1,247	81
<b>Total General government .....</b>	<b>11,177</b>	<b>11,677</b>	<b>11,393</b>	<b>284</b>
<b>Public safety:</b>				
Police .....	16,804	16,804	16,643	161
Transportation Services .....	4,078	4,061	3,870	191
<b>Total Public safety .....</b>	<b>20,882</b>	<b>20,865</b>	<b>20,513</b>	<b>352</b>
<b>Highways and streets:</b>				
Facility Maintenance .....	13,112	12,612	9,677	2,935
<b>Sanitation:</b>				
Environmental Services .....	871	871	641	230
<b>Utilities or other enterprises:</b>				
Transportation Services .....	1,762	1,779	1,472	307
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	9,668	9,668	9,100	568
<b>Other:</b>				
Provisional .....	2,813	2,813	1,300	1,513
<b>Total Miscellaneous .....</b>	<b>12,481</b>	<b>12,481</b>	<b>10,400</b>	<b>2,081</b>
<b>Total Expenditures .....</b>	<b>60,285</b>	<b>60,285</b>	<b>54,096</b>	<b>6,189</b>
<b>Revenues over Expenditures .....</b>	<b>39,493</b>	<b>39,493</b>	<b>52,807</b>	<b>13,314</b>



CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Other Financing Source (Use):				
Sales of general fixed assets .....	319	319	345	26
Operating transfers out .....	<u>(47,934)</u>	<u>(47,934)</u>	<u>(45,303)</u>	<u>2,631</u>
Total Other Financing Source (Use) .....	<u>(47,615)</u>	<u>(47,615)</u>	<u>(44,958)</u>	<u>2,657</u>
Net change in Fund Balance .....	(8,122)	(8,122)	7,849	15,971
Encumbrances .....	--	--	1,533	1,533
Fund Balance - July 1 .....	<u>8,122</u>	<u>8,122</u>	<u>17,702</u>	<u>9,580</u>
Fund Balance - June 30 .....	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 27,084</u>	<u>\$ 27,084</u>

Budgetary basis includes encumbrances.

The notes to the financial statements are an integral part of this statement.

## **OTHER SUPPLEMENTARY INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS COMBINING FINANCIAL STATEMENTS**

For a brief explanation of the individual nonmajor governmental funds, please refer to the divider page for the Governmental Fund Financial Statements preceding page 35.

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
JUNE 30, 2002  
(Amounts in thousands)

(Page 1 of 6)

	Special Revenue Funds		
	Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	Bikeway Fund	Parks and Playgrounds Fund
<b><u>ASSETS</u></b>			
Cash and investments:			
With Treasury and banks.....	\$ 642	\$ 894	\$ 4,888
Receivables:			
Accounts .....	--	--	--
Special Assessments .....	--	--	--
Loans .....	--	--	--
Intergovernmental .....	--	--	--
Due from other funds .....	--	--	--
Inventories - Municipal Stores .....	--	--	--
Total Assets .....	<u>\$ 642</u>	<u>\$ 894</u>	<u>\$ 4,888</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Checks payable .....	\$ 4	\$ --	\$ --
Accounts payable .....	49	--	--
Interest and bonds payable-matured .....	--	--	--
Due to other funds .....	--	--	--
Accrued payroll .....	14	--	--
Deferred revenue .....	--	--	--
Total Liabilities .....	<u>67</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Reserved for encumbrances .....	104	3	--
Reserved for debt service .....	--	--	--
Unreserved - undesignated .....	<u>471</u>	<u>891</u>	<u>4,888</u>
Total Fund Balances .....	<u>575</u>	<u>894</u>	<u>4,888</u>
Total Liabilities and Fund Balances .....	<u>\$ 642</u>	<u>\$ 894</u>	<u>\$ 4,888</u>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
JUNE 30, 2002  
(Amounts in thousands)

(Page 2 of 6)

Special Revenue Funds					
Federal Revenue Sharing Fund	Liquor Commission Fund	Rental Assistance Fund	Zoo Animal Purchase Fund	Hanauma Bay Nature Preserve Fund	Special Reserve Fund
\$ 47	\$ 1,249	\$ 1,037	\$ 42	\$ 1,445	\$ 5,034
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 47</u>	<u>\$ 1,249</u>	<u>\$ 1,037</u>	<u>\$ 42</u>	<u>\$ 1,445</u>	<u>\$ 5,034</u>
\$ --	\$ 31	\$ --	\$ 1	\$ 4	\$ --
--	1	--	--	5	--
--	--	--	--	--	--
--	--	--	--	--	--
--	12	--	--	21	--
--	--	--	--	--	--
<u>--</u>	<u>44</u>	<u>--</u>	<u>1</u>	<u>30</u>	<u>--</u>
--	122	--	--	406	--
--	--	--	--	--	--
<u>47</u>	<u>1,083</u>	<u>1,037</u>	<u>41</u>	<u>1,009</u>	<u>5,034</u>
<u>47</u>	<u>1,205</u>	<u>1,037</u>	<u>41</u>	<u>1,415</u>	<u>5,034</u>
<u>\$ 47</u>	<u>\$ 1,249</u>	<u>\$ 1,037</u>	<u>\$ 42</u>	<u>\$ 1,445</u>	<u>\$ 5,034</u>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
JUNE 30, 2002  
(Amounts in thousands)

(Page 3 of 6)

	Special Revenue Funds		
	Community Development Fund	Golf Fund	Special Events Fund
<b><u>ASSETS</u></b>			
Cash and investments:			
With Treasury and banks.....	\$ 175	\$ 658	\$ 437
Receivables:			
Accounts .....	--	--	--
Special Assessments .....	--	--	--
Loans .....	--	--	--
Intergovernmental .....	--	--	--
Due from other funds .....	180	100	--
Inventories - Municipal Stores .....	--	--	--
Total Assets .....	<u>\$ 355</u>	<u>\$ 758</u>	<u>\$ 437</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Checks payable .....	\$ 33	\$ 84	\$ 40
Accounts payable .....	180	168	67
Interest and bonds payable-matured .....	--	--	--
Due to other funds .....	--	--	--
Accrued payroll .....	--	52	89
Deferred revenue .....	--	--	--
Total Liabilities .....	<u>213</u>	<u>304</u>	<u>196</u>
Fund Balances:			
Reserved for encumbrances .....	15,381	449	235
Reserved for debt service .....	--	--	--
Unreserved - undesignated .....	<u>(15,239)</u>	<u>5</u>	<u>6</u>
Total Fund Balances .....	<u>142</u>	<u>454</u>	<u>241</u>
Total Liabilities and Fund Balances .....	<u>\$ 355</u>	<u>\$ 758</u>	<u>\$ 437</u>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
JUNE 30, 2002  
(Amounts in thousands)

(Page 4 of 6)

Special Revenue Funds					
Farmers Home Administration Loan Fund	Special Projects Fund	Federal Grants Fund	Housing and Community Development Rehabilitation Loan Fund	Pauahi Project Expenditures Hawaii R-15 Fund	Housing and Community Development Section 8 Contract Fund
\$ 46	\$ 1,486	\$ 5,869	\$ 8,651	\$ 2,749	\$ 4,384
--	--	--	--	--	146
--	--	--	--	--	--
--	--	--	12,464	--	--
--	388	662	--	--	--
--	--	13	--	--	--
--	--	--	--	--	--
<u>\$ 46</u>	<u>\$ 1,874</u>	<u>\$ 6,544</u>	<u>\$ 21,115</u>	<u>\$ 2,749</u>	<u>\$ 4,530</u>
\$ --	\$ 149	\$ 426	\$ --	\$ --	\$ 103
--	10	1,499	--	--	141
--	--	--	--	--	--
--	65	--	--	--	--
--	--	--	--	--	--
--	180	1,270	12,464	487	583
--	404	3,195	12,464	487	827
--	1,976	7,795	8,651	1,764	3,665
--	--	--	--	--	--
46	(506)	(4,446)	--	498	38
46	1,470	3,349	8,651	2,262	3,703
<u>\$ 46</u>	<u>\$ 1,874</u>	<u>\$ 6,544</u>	<u>\$ 21,115</u>	<u>\$ 2,749</u>	<u>\$ 4,530</u>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
JUNE 30, 2002  
(Amounts in thousands)

(Page 5 of 6)

	Special Revenue Funds			
	Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund
<b><u>ASSETS</u></b>				
Cash and investments:				
With Treasury and banks.....	\$ 810	\$ 1,520	\$ 224	\$ 263
Receivables:				
Accounts .....	--	--	--	--
Special Assessments .....	--	--	--	--
Loans .....	--	--	--	--
Intergovernmental .....	--	--	--	--
Due from other funds .....	--	--	--	--
Inventories - Municipal Stores .....	--	--	--	11
Total Assets .....	<u>\$ 810</u>	<u>\$ 1,520</u>	<u>\$ 224</u>	<u>\$ 274</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Checks payable .....	\$ --	\$ --	\$ --	\$ 2
Accounts payable .....	--	--	--	--
Interest and bonds payable-matured .....	--	--	--	--
Due to other funds .....	--	--	--	--
Accrued payroll .....	--	--	--	--
Deferred revenue .....	641	--	--	--
Total Liabilities .....	<u>641</u>	<u>--</u>	<u>--</u>	<u>2</u>
Fund Balances:				
Reserved for encumbrances .....	--	--	--	31
Reserved for debt service .....	--	--	--	--
Unreserved - undesignated .....	169	1,520	224	241
Total Fund Balances .....	<u>169</u>	<u>1,520</u>	<u>224</u>	<u>272</u>
Total Liabilities and Fund Balances .....	<u>\$ 810</u>	<u>\$ 1,520</u>	<u>\$ 224</u>	<u>\$ 274</u>



CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
JUNE 30, 2002  
(Amounts in thousands)

(Page 6 of 6)

Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
Improvement District Bond and Interest Redemption Fund	Highway Improvement Bond Fund	Federal Grants Capital Projects Fund	Capital Projects Fund	
\$ 929	\$ 18,368	\$ 19,096	\$ 20,989	\$ 101,932
--	--	--	--	146
2,259	--	--	--	2,259
--	--	41,664	--	54,128
--	--	1,886	--	2,936
--	--	7	108	408
--	--	--	--	11
<u>\$ 3,188</u>	<u>\$ 18,368</u>	<u>\$ 62,653</u>	<u>\$ 21,097</u>	<u>\$ 161,820</u>
\$ --	\$ 2,516	\$ 2,944	\$ --	\$ 6,337
--	4,474	2,280	--	8,874
9	--	--	--	9
108	--	193	7	373
--	--	--	--	188
1,724	--	42,797	--	60,146
1,841	6,990	48,214	7	75,927
--	199,010	75,063	12,767	327,422
1,347	--	--	--	1,347
--	(187,632)	(60,624)	8,323	(242,876)
1,347	11,378	14,439	21,090	85,893
<u>\$ 3,188</u>	<u>\$ 18,368</u>	<u>\$ 62,653</u>	<u>\$ 21,097</u>	<u>\$ 161,820</u>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
( Amounts in thousands )

( Page 1 of 6 )

	Special Revenue Funds		
	Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	Bikeway Fund	Parks and Playgrounds Fund
Revenues:			
Special assessments .....	\$ --	\$ --	\$ --
Licenses and permits.....	--	341	--
Intergovernmental.....	--	--	--
Charges for services.....	1,123	--	--
Fines and forfeits.....	--	--	5
Miscellaneous:			
Reimbursements and recoveries.....	--	--	--
Interest.....	--	--	--
Other.....	--	--	294
Total Revenues.....	1,123	341	299
Expenditures:			
Current:			
General government.....	999	--	--
Public safety.....	--	267	--
Highways and streets.....	--	2	--
Sanitation.....	--	--	--
Health and human resources.....	--	--	--
Culture-recreation.....	376	--	--
Utilities or other enterprises.....	--	--	--
Miscellaneous:			
Retirement and health benefits.....	--	--	--
Other.....	--	--	--
Capital Outlay:			
General government.....	--	--	--
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Sanitation.....	--	--	--
Health and human resources.....	--	--	--
Culture-recreation.....	--	--	--
Utilities or other enterprises.....	--	--	--
Debt service:			
Principal.....	--	--	--
Interest.....	--	--	--
Total Expenditures.....	1,375	269	--
Revenues over (under) Expenditures.....	(252)	72	299
Other Financing Sources (Uses):			
Proceeds of general obligation bonds .....	--	--	--
Proceeds of long-term notes .....	--	--	--
Operating transfers in.....	--	327	2,230
Operating transfers out.....	(53)	(231)	(2,600)
Total Other Financing Sources (Uses).....	(53)	96	(370)
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(305)	168	(71)
Fund Balances - July 1.....	880	726	4,959
Fund Balances - June 30.....	\$ 575	\$ 894	\$ 4,888

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
( Amounts in thousands )

( Page 2 of 6 )

Special Revenue Funds

Federal Revenue Sharing Fund	Liquor Commission Fund	Rental Assistance Fund	Zoo Animal Purchase Fund	Hanauma Bay Nature Preserve Fund	Special Reserve Fund
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	2,576	--	--	--	--
--	--	--	--	--	--
--	115	--	--	2,108	--
--	204	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	10	195	5	337	--
--	2,905	195	5	2,445	--
--	2,302	--	--	--	--
--	--	--	--	330	--
--	--	--	--	--	--
--	--	171	--	--	--
--	--	--	4	1,696	--
--	--	--	--	--	--
--	467	--	--	336	--
--	50	--	--	1	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	2,819	171	4	2,363	--
--	86	24	1	82	--
--	--	--	--	--	--
--	--	--	--	--	--
--	(355)	(12)	--	(694)	--
--	(355)	(12)	--	(694)	--
--	(269)	12	1	(612)	--
47	1,474	1,025	40	2,027	5,034
\$ 47	\$ 1,205	\$ 1,037	\$ 41	\$ 1,415	\$ 5,034

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
( Amounts in thousands )

( Page 3 of 6 )

	Special Revenue Funds		
	Community Development Fund	Golf Fund	Special Events Fund
Revenues:			
Special assessments .....	\$ --	\$ --	\$ --
Licenses and permits.....	--	--	--
Intergovernmental.....	9,151	--	--
Charges for services.....	--	5,775	1,326
Fines and forfeits.....	--	--	--
Miscellaneous:			
Reimbursements and recoveries.....	--	--	23
Interest.....	--	--	4
Other.....	--	3,446	4,290
Total Revenues.....	9,151	9,221	5,643
Expenditures:			
Current:			
General government.....	495	--	110
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Sanitation.....	--	--	--
Health and human resources.....	1,075	--	--
Culture-recreation.....	--	7,450	7,184
Utilities or other enterprises.....	1,000	--	--
Miscellaneous:			
Retirement and health benefits.....	--	1,292	1,538
Other.....	--	25	75
Capital Outlay:			
General government.....	--	--	--
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Sanitation.....	--	--	--
Health and human resources.....	1,490	--	--
Culture-recreation.....	--	--	--
Utilities or other enterprises.....	--	--	--
Debt service:			
Principal.....	--	--	--
Interest.....	--	--	--
Total Expenditures.....	4,060	8,767	8,907
Revenues over (under) Expenditures.....	5,091	454	(3,264)
Other Financing Sources (Uses):			
Proceeds of general obligation bonds .....	--	--	--
Proceeds of long-term notes .....	--	--	--
Operating transfers in.....	--	7,923	4,907
Operating transfers out.....	(5,029)	(8,156)	(2,377)
Total Other Financing Sources (Uses).....	(5,029)	(233)	2,530
Revenues and Other Sources over (under) Expenditures and Other Uses.....	62	221	(734)
Fund Balances - July 1.....	80	233	975
Fund Balances - June 30.....	\$ 142	\$ 454	\$ 241

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
( Amounts in thousands )

( Page 4 of 6 )

Special Revenue Funds					
Farmers Home Administration Loan Fund	Special Projects Fund	Federal Grants Fund	Housing and Community Development Rehabilitation Loan Fund	Pauahi Project Expenditures Hawaii R-15 Fund	Housing and Community Development Section 8 Contract Fund
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	5,399	43,541	--	--	24,780
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	20	250	133	460
--	--	--	2,023	--	20
--	5,399	43,561	2,273	133	25,260
--	--	--	--	--	--
--	1,333	1,479	--	--	2,062
--	499	2,955	--	--	--
--	--	--	--	--	--
--	--	45	--	--	--
--	3,756	19,751	1,594	--	23,979
--	--	361	--	--	--
--	--	21,341	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	5,588	45,932	1,594	--	26,041
--	(189)	(2,371)	679	133	(781)
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	335
--	--	--	--	--	--
--	--	--	--	--	335
--	(189)	(2,371)	679	133	(446)
46	1,659	5,720	7,972	2,129	4,149
\$ 46	\$ 1,470	\$ 3,349	\$ 8,651	\$ 2,262	\$ 3,703

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
( Amounts in thousands )

( Page 5 of 6 )

	Special Revenue Funds			
	Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund
Revenues:				
Special assessments .....	\$ --	\$ --	\$ --	\$ --
Licenses and permits.....	--	--	--	--
Intergovernmental.....	--	--	--	--
Charges for services.....	--	--	--	--
Fines and forfeits.....	--	--	--	--
Miscellaneous:				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	3	--	--	--
Other.....	79	--	--	34
Total Revenues.....	82	--	--	34
Expenditures:				
Current:				
General government.....	--	3	--	34
Public safety.....	--	--	--	--
Highways and streets.....	--	--	--	--
Sanitation.....	--	--	--	--
Health and human resources.....	--	--	--	--
Culture-recreation.....	--	--	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	--	--	--	--
Other.....	--	--	--	--
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	--	--
Highways and streets.....	--	--	--	--
Sanitation.....	--	--	--	--
Health and human resources.....	--	--	--	--
Culture-recreation.....	--	--	--	--
Utilities or other enterprises.....	--	--	--	--
Debt service:				
Principal.....	--	--	--	--
Interest.....	--	--	--	--
Total Expenditures.....	--	3	--	34
Revenues over (under) Expenditures.....	82	(3)	--	--
Other Financing Sources (Uses):				
Proceeds of general obligation bonds .....	--	--	--	--
Proceeds of long-term notes .....	--	--	--	--
Operating transfers in.....	--	--	--	--
Operating transfers out.....	--	--	--	--
Total Other Financing Sources (Uses).....	--	--	--	--
Revenues and Other Sources over (under) Expenditures and Other Uses.....	82	(3)	--	--
Fund Balances - July 1.....	87	1,523	224	272
Fund Balances - June 30.....	\$ 169	\$ 1,520	\$ 224	\$ 272

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
( Amounts in thousands )

( Page 6 of 6 )

Debt Service Improvement District Bond and Interest Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway Improvement Bond Fund	Federal Grants Capital Projects Fund	Capital Projects Fund	
\$ 440	\$ --	\$ --	\$ --	\$ 440
--	--	--	--	2,917
--	--	30,505	--	113,376
--	--	--	--	10,447
--	--	--	--	209
--	--	--	--	23
181	--	--	--	1,051
4	--	--	1,996	12,733
625	--	30,505	1,996	141,196
--	--	--	--	8,817
--	--	--	--	4,051
--	--	--	--	2
--	--	--	--	45
--	--	--	--	50,326
--	--	--	--	17,071
--	--	--	--	22,341
--	--	--	--	3,633
--	--	--	--	151
--	1,361	5,388	1,178	7,927
--	5,856	1,901	122	7,879
--	37,659	8,880	1,072	47,611
--	--	73	43	116
--	--	7,681	--	9,171
--	2,321	1,190	3,118	6,629
--	11,232	13,782	--	25,014
370	--	--	--	370
129	--	--	--	129
499	58,429	38,895	5,533	211,283
126	(58,429)	(8,390)	(3,537)	(70,087)
--	52,000	--	--	52,000
--	1,119	--	--	1,119
--	--	5,029	2,923	23,674
(108)	--	(335)	(2,664)	(22,614)
(108)	53,119	4,694	259	54,179
18	(5,310)	(3,696)	(3,278)	(15,908)
1,329	16,688	18,135	24,368	101,801
\$ 1,347	\$ 11,378	\$ 14,439	\$ 21,090	\$ 85,893

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## **FIDUCIARY FUNDS COMBINING FINANCIAL STATEMENTS**

For a brief explanation of the General Trust Fund, Treasury Trust Fund and Real Property Tax Trust Fund, please refer to the divider page for the Fiduciary Fund Financial Statements preceding page 43.

### **Agency Fund - Payroll Clearance Fund**

This fund is used to clear payments of all salaries and wages.

CITY AND COUNTY OF HONOLULU  
**TRUST AND AGENCY FUNDS**  
 COMBINING STATEMENT OF NET ASSETS  
 JUNE 30, 2002  
 (Amounts in thousands)

	Private-Purpose Trust Funds				Agency Fund	
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	Total	Payroll Clearance Fund	Totals
						2002
<b>ASSETS</b>						
Cash and investments:						
With Treasury .....	\$ 29,246	\$ 1,611	\$ 3,725	\$ 34,582	\$ 4,501	\$ 39,083
Imprest and change funds .....	61	207	--	268	--	268
Due from other funds:						
General Fund .....	--	--	1,370	1,370	--	1,370
Solid Waste Fund - Refuse						
General Account .....	4	--	--	4	--	4
Solid Waste Fund - HPOWER						
Account .....	30	--	--	30	--	30
Total Assets .....	<u>\$ 29,341</u>	<u>\$ 1,818</u>	<u>\$ 5,095</u>	<u>\$ 36,254</u>	<u>\$ 4,501</u>	<u>\$ 40,755</u>
<b>LIABILITIES</b>						
Liabilities:						
Checks payable .....	\$ 63	\$ --	\$ 37	\$ 100	\$ 2,785	\$ 2,885
Accounts payable .....	2,831	1,174	--	4,005	--	4,005
Due to other funds:						
General Fund .....	240	--	--	240	--	240
Other current liabilities .....	--	--	--	--	1,716	1,716
Total Liabilities .....	<u>3,134</u>	<u>1,174</u>	<u>37</u>	<u>4,345</u>	<u>4,501</u>	<u>8,846</u>
<b>NET ASSETS</b>						
Held in trust for individuals, organizations and other governments .....	<u>\$ 26,207</u>	<u>\$ 644</u>	<u>\$ 5,058</u>	<u>\$ 31,909</u>	<u>\$ --</u>	<u>\$ 31,909</u>

CITY AND COUNTY OF HONOLULU  
**TRUST FUNDS**  
 COMBINING STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Private-Purpose Trust Funds			Total
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	
Revenues:				
Interest .....	\$ 117	\$ 1	\$ --	\$ 118
Collections for sundry creditors, contributions, etc .....	317,365	9,946	2,046	329,357
Total Revenues .....	317,482	9,947	2,046	329,475
Expenditures:				
Current:				
General government .....	310,884	--	3,935	314,819
Public safety .....	906	6	--	912
Highway and streets .....	16	--	--	16
Sanitation .....	365	--	--	365
Health and human resources .....	902	1,183	--	2,085
Culture-recreation .....	616	9,175	--	9,791
Utilities or other enterprises .....	72	--	--	72
Total Expenditures .....	313,761	10,364	3,935	328,060
Revenues over (under) Expenditures .....	3,721	(417)	(1,889)	1,415
Net Assets - July 1 .....	22,486	1,061	6,947	30,494
Net Assets - June 30 .....	<u>\$ 26,207</u>	<u>\$ 644</u>	<u>\$ 5,058</u>	<u>\$ 31,909</u>

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## **FUND SCHEDULES**

For a brief explanation of the individual funds, please refer to the divider page for the Governmental Fund Financial Statements preceding page 35.

Note: the revolving funds are comprised of the Improvement District Revolving Fund, Housing and Community Development Revolving Fund and Municipal Stores Revolving Fund.

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 394,234	\$ 394,234	\$ 407,270	\$ 13,036
Licenses and permits .....	25,873	25,873	25,897	24
Intergovernmental .....	39,117	39,117	32,063	(7,054)
Charges for services .....	3,865	3,865	3,912	47
Fines and forfeits .....	125	125	249	124
Miscellaneous:				
Reimbursements and recoveries .....	79,874	79,874	76,706	(3,168)
Interest .....	10,002	10,002	7,519	(2,483)
Other .....	13,258	13,258	21,023	7,765
<b>Total Revenues .....</b>	<b>566,348</b>	<b>566,348</b>	<b>574,639</b>	<b>8,291</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	11,835	12,127	11,677	450
City Clerk .....	2,009	2,084	2,019	65
City Council .....	4,318	4,371	4,340	31
Corporation Counsel .....	6,138	6,138	6,087	51
Customer Services .....	16,621	16,888	15,634	1,254
Design and Construction .....	13,302	13,302	12,413	889
Facility Maintenance .....	9,662	9,514	9,180	334
Human Resources .....	4,300	4,460	4,375	85
Information Technology .....	9,037	9,037	7,845	1,192
Mayor .....	5,514	5,472	5,156	316
Planning and Permitting .....	6,962	6,977	6,229	748
Prosecuting Attorney .....	12,096	12,166	12,040	126
<b>Total General government .....</b>	<b>101,794</b>	<b>102,536</b>	<b>96,995</b>	<b>5,541</b>
<b>Public safety:</b>				
Emergency Services .....	4,919	5,408	5,381	27
Fire .....	56,658	58,218	58,077	141
Mayor .....	554	596	568	28
Medical Examiner .....	948	948	948	--
Planning and Permitting .....	4,057	4,042	3,961	81
Police .....	138,390	138,390	132,208	6,182
<b>Total Public safety .....</b>	<b>205,526</b>	<b>207,602</b>	<b>201,143</b>	<b>6,459</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Highways and streets:				
Facility Maintenance .....	6,163	6,163	5,694	469
Health and human resources:				
Community Services .....	2,139	2,139	1,960	179
Emergency Services .....	14,118	14,118	12,817	1,301
Total Health and human resources .....	16,257	16,257	14,777	1,480
Culture-recreation:				
Mayor .....	1,541	1,541	1,521	20
Parks and Recreation .....	42,278	42,278	41,509	769
Total Culture-recreation .....	43,819	43,819	43,030	789
Miscellaneous:				
Retirement and health benefits:				
Budget and Fiscal Services .....	120	120	68	52
City Council .....	1,418	1,418	1,387	31
Provisional .....	80,326	81,383	80,192	1,191
Total Retirement and health benefits .....	81,864	82,921	81,647	1,274
Other:				
Budget and Fiscal Services .....	4,650	4,650	4,502	148
City Council .....	210	82	12	70
Provisional .....	22,464	18,569	13,053	5,516
Total Other .....	27,324	23,301	17,567	5,734
Total Miscellaneous .....	109,188	106,222	99,214	7,008
Debt Service:				
Budget and Fiscal Services .....	359	359	359	--
Total Expenditures .....	483,106	482,958	461,212	21,746
Revenues over Expenditures .....	83,242	83,390	113,427	30,037

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Other Financing Sources (Uses):				
Sales of general fixed assets .....	200	200	187	(13)
Operating transfers in:				
Central Administrative Service Expenses .....	19,752	19,752	19,605	(147)
Debt service .....	23,618	23,618	20,987	(2,631)
Other .....	42,220	42,220	42,327	107
Operating transfers out:				
Debt service - Budget and Fiscal Services .....	(118,012)	(118,012)	(105,316)	12,696
Other - Budget and Fiscal Services .....	(33,448)	(33,448)	(33,448)	--
Other - Facility Maintenance .....	--	(148)	(148)	--
Other - Environmental Services .....	--	--	(14)	(14)
Bus subsidy - Budget and Fiscal Services .....	(46,422)	(46,422)	(46,422)	--
Total Other Financing Sources (Uses) .....	<u>(112,092)</u>	<u>(112,240)</u>	<u>(102,242)</u>	<u>9,998</u>
Revenues and Other Sources over (under) Expenditures and Other Uses .....	(28,850)	(28,850)	11,185	40,035
Unreserved - Undesignated Fund Balance - July 1 .....	<u>28,932</u>	<u>28,932</u>	<u>23,347</u>	<u>(5,585)</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 82</u>	<u>\$ 82</u>	34,532	<u>\$ 34,450</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			16,536	
Expenditures - prior year encumbrances .....			(13,196)	
Accrued expenditures .....			(2,533)	
Accrued payroll .....			822	
Increase in reserved for encumbrances .....			<u>(1,002)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			35,159	
Reserved for Encumbrances - June 30 .....			<u>19,191</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 54,350</u>	



CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>TAXES</u></b>			
<b>GENERAL PROPERTY TAXES:</b>			
Real Property Tax .....	\$ 371,234	\$ 382,449	\$ 11,215
<b>PUBLIC SERVICE COMPANY TAX:</b>			
Public Service Company Tax .....	23,000	24,821	1,821
<b>TOTAL TAXES .....</b>	<b>394,234</b>	<b>407,270</b>	<b>13,036</b>
<b><u>LICENSES AND PERMITS</u></b>			
<b>BUSINESS LICENSES AND PERMITS:</b>			
<b>Health:</b>			
Hotels, Lodging Houses and Restaurants .....	7	--	(7)
<b>Police and Protective:</b>			
Second-Hand and Junk Dealers .....	15	17	2
Alarm Permits .....	--	123	123
Other .....	9	17	8
<b>Professional and Occupational:</b>			
Refuse Collector .....	6	8	2
<b>Total Business Licenses and Permits .....</b>	<b>37</b>	<b>165</b>	<b>128</b>
<b>NON-BUSINESS LICENSES AND PERMITS:</b>			
<b>Building Structures and Equipment Permits:</b>			
Building .....	6,400	6,446	46
Signs and Relocation .....	28	22	(6)
<b>Motor Vehicle Licenses and Fees:</b>			
Motor Vehicle Plate and Tag Fees .....	1,422	1,500	78
Motor Vehicle Transfer Fees and Penalty .....	2,761	2,656	(105)
Duplicate Registration and Ownership Certificates ....	217	216	(1)
Motor Vehicle Registration Annual Fee .....	12,066	12,299	233
Other .....	28	12	(16)
<b>Other Vehicle Licenses and Fees:</b>			
Passenger and Freight Vehicle Permit Fees .....	68	72	4
Nonresident Vehicle Permit .....	19	20	1
Motor Vehicle Drivers' Licenses .....	2,011	1,718	(293)
<b>Animal Licenses:</b>			
Dog Licenses and Tag Fees .....	288	260	(28)
<b>Street, Sidewalk and Curb Permits:</b>			
Easement Grants .....	134	123	(11)
Newsstands .....	30	16	(14)
Telephone Enclosures .....	36	25	(11)
Dispensing Rack .....	39	99	60
Fire Code Permits and License Fees .....	289	248	(41)
<b>Total Non-Business Licenses and Permits .....</b>	<b>25,836</b>	<b>25,732</b>	<b>(104)</b>
<b>TOTAL LICENSES AND PERMITS .....</b>	<b>25,873</b>	<b>25,897</b>	<b>24</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>INTERGOVERNMENTAL</u></b>			
<b>FEDERAL GRANTS:</b>			
Civil Defense Administration Expense .....	112	140	28
U. S. Department of Justice Crime Act .....	--	281	281
Total Federal Grants .....	<u>112</u>	<u>421</u>	<u>309</u>
<b>STATE GRANT:</b>			
Transient Accommodation Tax .....	39,000	31,619	(7,381)
Total State Grant .....	<u>39,000</u>	<u>31,619</u>	<u>(7,381)</u>
<b>INTERGOVERNMENTAL PAYMENTS IN LIEU OF TAXES:</b>			
Fish and Wildlife Service .....	5	23	18
Total Intergovernmental Payments in Lieu of Taxes .....	<u>5</u>	<u>23</u>	<u>18</u>
TOTAL INTERGOVERNMENTAL .....	<u>39,117</u>	<u>32,063</u>	<u>(7,054)</u>
<b><u>CHARGES FOR SERVICES</u></b>			
<b>GENERAL GOVERNMENT:</b>			
<b>Data Processing Services:</b>			
Duplication of Master Tapes .....	68	33	(35)
Data Processing Service - State .....	265	312	47
Data Processing Service - U.S. Government .....	26	17	(9)
Data Processing Service - Other Counties .....	340	320	(20)
Legal Services (BWS) .....	120	28	(92)
Service Fee for Dishonored Checks .....	31	25	(6)
Band Collections .....	4	--	(4)
Automotive Equipment Service Charges .....	223	145	(78)
Subdivision Fees .....	50	67	17
Application Fees for Zoning Regulations .....	109	140	31
Plan Review Use Fees .....	700	792	92
Unilateral Agreement Fees .....	--	53	53
Administrative Fee--Multi-Family Housing Program.....	71	112	41
Charges for Publications, Reports, etc .....	3	5	2
Fees for Certificates, Copies and Extracts of Records ...	143	145	2
Fees for Services .....	4	6	2
Custodial and Attendant Services .....	215	224	9
Spay-Neuter Service .....	258	221	(37)
Other .....	9	26	17
Total General Government .....	<u>2,639</u>	<u>2,671</u>	<u>32</u>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 3 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>PUBLIC SAFETY:</b>			
Police Charges:			
Taxicab Drivers' and Pedicab Operators' Certificates .	41	41	--
HPD Special Duty Fees .....	130	139	9
Other .....	--	10	10
Corrections:			
Care of Federal Prisoners .....	2	15	13
Protective Inspection:			
Electrical Inspection .....	1	--	(1)
Miscellaneous:			
Filing Fee-Building Code Variance/Appeal .....	1	2	1
<b>Total Public Safety .....</b>	<b>175</b>	<b>207</b>	<b>32</b>
<b>HIGHWAYS AND STREETS:</b>			
Parking:			
City Employees .....	485	465	(20)
HPD Parking Lot .....	130	135	5
<b>Total Highways and Streets .....</b>	<b>615</b>	<b>600</b>	<b>(15)</b>
<b>CULTURE-RECREATION:</b>			
Commercial Activities:			
Scuba and Snorkeling .....	26	19	(7)
Windsurfing .....	7	5	(2)
Commercial Filming .....	38	15	(23)
Summer Fun Program .....	175	214	39
Fall and Spring Program .....	25	30	5
Foster Botanic Garden .....	130	108	(22)
Fees for Community Garden .....	35	43	8
<b>Total Culture-Recreation .....</b>	<b>436</b>	<b>434</b>	<b>(2)</b>
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>3,865</b>	<b>3,912</b>	<b>47</b>
<b><u>FINES AND FORFEITS</u></b>			
<b><u>FINES:</u></b>			
Fines .....	75	118	43
Liquidated Contract Damages .....	--	9	9
<b>Total Fines .....</b>	<b>75</b>	<b>127</b>	<b>52</b>
<b><u>FORFEITS:</u></b>			
Forfeiture of Seized Property .....	50	122	72
<b>TOTAL FINES AND FORFEITS .....</b>	<b>125</b>	<b>249</b>	<b>124</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 4 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>REIMBURSEMENTS AND RECOVERIES:</b>			
Reimbursements from State:			
Fire Inspection Services .....	--	10	10
Fireboat Operations .....	1,537	1,983	446
HPD Civil Defense Coordinator .....	29	37	8
Motor Vehicle Inspection Program .....	219	414	195
Family Support Program .....	834	668	(166)
Emergency Ambulance Services .....	15,147	16,449	1,302
Collection Cost - State Motor Vehicle			
Weight Tax, etc. ....	397	634	237
Commercial Drivers' License Program .....	215	417	202
Recoveries:			
Overhead Charges .....	230	148	(82)
Workers' Compensation Payment .....	350	391	41
Ambulance Maintenance .....	182	--	(182)
Central Administrative Service Expenses:			
Board of Water Supply .....	5,100	3,326	(1,774)
Debt Service Charges - Enterprise Funds:			
Sewer .....	12,610	11,194	(1,416)
Solid Waste .....	30,092	30,100	8
Housing .....	12,780	10,772	(2,008)
Workers' Compensation Claims (Third Party) .....	75	96	21
Fuel Taxes for Off-Highway Use Vehicles .....	59	46	(13)
Recoveries - Other .....	18	21	3
Total Reimbursements and Recoveries .....	<u>79,874</u>	<u>76,706</u>	<u>(3,168)</u>
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	10,000	7,333	(2,667)
Other Sources .....	2	186	184
Total Interest .....	<u>10,002</u>	<u>7,519</u>	<u>(2,483)</u>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

(Page 5 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental Units:			
Rental Units (City Property) .....	192	200	8
Rental Units (HCD Property) .....	28	241	213
Rental - Ambulance Facilities .....	66	64	(2)
Rental of Parks and Recreational Facilities:			
Perquisite Housing .....	24	23	(1)
Other .....	--	3	3
Rental of Equipment .....	15	9	(6)
Rental for Use of Land .....	92	63	(29)
Rental of Other Properties:			
Harbor Court Lease Rent .....	1,700	1,729	29
Chinatown Community Service Center .....	--	8	8
Total Rents .....	<u>2,117</u>	<u>2,340</u>	<u>223</u>
Concessions:			
Other Concessions:			
Food Concession - HPD .....	30	30	--
Public Pay Phones .....	121	89	(32)
Other Concessions .....	--	5	5
Total Concessions .....	<u>151</u>	<u>124</u>	<u>(27)</u>
Contributions from Private Sources:			
Developers' Premium .....	2,500	--	(2,500)
Unclaimed Monies:			
Police Department .....	10	2	(8)
Total Contributions from Private Sources .....	<u>2,510</u>	<u>2</u>	<u>(2,508)</u>
Other:			
Harbor Court Lease to Fee Conversion .....	7,225	11,971	4,746
Advertising on City's Web Site .....	31	--	(31)
Towing Service Premiums .....	500	419	(81)
Vacation Accumulation Deposits .....	30	184	154
Miscellaneous Sales .....	135	137	2
Sundry Refunds .....	559	5,806	5,247
Sundry Realizations .....	--	40	40
Total Other .....	<u>8,480</u>	<u>18,557</u>	<u>10,077</u>
Total Other Miscellaneous .....	<u>13,258</u>	<u>21,023</u>	<u>7,765</u>
TOTAL MISCELLANEOUS .....	<u>103,134</u>	<u>105,248</u>	<u>2,114</u>
TOTAL REVENUES .....	<u>566,348</u>	<u>574,639</u>	<u>8,291</u>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 6 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>OTHER FINANCING SOURCES</b>			
<b>SALES OF GENERAL FIXED ASSETS:</b>			
Sale of Fixed Assets .....	200	186	(14)
Compensation for Loss of Fixed Assets .....	--	1	1
<b>TOTAL SALES OF GENERAL FIXED ASSETS ...</b>	<b>200</b>	<b>187</b>	<b>(13)</b>
<b>TRANSFERS FROM OTHER FUNDS:</b>			
Recovery of Central Administrative Service Expenses:			
Highway Fund .....	5,000	5,000	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund .....	75	53	(22)
Bikeway Fund .....	41	16	(25)
Sewer Fund .....	5,285	5,285	--
Liquor Commission Fund .....	155	155	--
Rental Assistance Fund .....	12	12	--
Hanauma Bay Nature Preserve Fund .....	198	198	--
Golf Fund .....	865	765	(100)
Special Events Fund .....	590	590	--
Solid Waste Special Fund .....	7,531	7,531	--
Recovery of Debt Service Charges:			
Highway Fund .....	13,944	11,313	(2,631)
Hanauma Bay Nature Preserve Fund .....	496	496	--
Golf Fund .....	7,391	7,391	--
Special Events Fund .....	1,787	1,787	--
Other Transfers:			
Sewer Fund .....	41,710	41,710	--
Liquor Commission Fund .....	200	200	--
Capital Projects Fund .....	--	107	107
Solid Waste Special Fund .....	310	310	--
<b>TOTAL TRANSFERS FROM OTHER FUNDS ....</b>	<b>85,590</b>	<b>82,919</b>	<b>(2,671)</b>
<b>TOTAL OTHER FINANCING SOURCES .....</b>	<b>85,790</b>	<b>83,106</b>	<b>(2,684)</b>
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 652,138</b>	<b>\$ 657,745</b>	<b>\$ 5,607</b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 67,600	\$ 67,600	\$ 70,476	\$ 2,876
Licenses and permits .....	26,508	26,508	27,800	1,292
Charges for services .....	3,927	3,927	4,123	196
Fines and forfeits .....	12	12	2	(10)
Miscellaneous:				
Reimbursements and recoveries .....	318	318	144	(174)
Other .....	1,413	1,413	4,358	2,945
Total Revenues .....	99,778	99,778	106,903	7,125
<b>Expenditures:</b>				
Current:				
General government:				
Design and Construction .....	3,242	3,242	3,141	101
Facility Maintenance .....	6,105	6,605	6,569	36
Planning and Permitting .....	1,305	1,305	1,224	81
Total General government .....	10,652	11,152	10,934	218
Public safety:				
Police .....	16,721	16,721	16,569	152
Transportation Services .....	3,771	3,754	3,577	177
Total Public safety .....	20,492	20,475	20,146	329
Highways and streets:				
Facility Maintenance .....	12,054	11,554	8,741	2,813
Sanitation:				
Environmental Services .....	748	748	519	229
Utilities or other enterprises:				
Transportation Services .....	1,736	1,753	1,450	303
Miscellaneous:				
Retirement and health benefits:				
Provisional .....	9,668	9,668	9,100	568
Other:				
Provisional .....	2,813	2,813	1,300	1,513
Total Miscellaneous .....	12,481	12,481	10,400	2,081
Total Expenditures .....	58,163	58,163	52,190	5,973
Revenues over Expenditures .....	41,615	41,615	54,713	13,098

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Other Financing Source (Uses):				
Sales of general fixed assets .....	319	319	345	26
Operating transfers out:				
Debt service - Budget and Fiscal Services .....	(13,944)	(13,944)	(11,313)	2,631
Reimbursement for central administrative service expenses - Budget and Fiscal Services .....	(5,000)	(5,000)	(5,000)	--
Bus subsidy - Budget and Fiscal Services .....	(28,990)	(28,990)	(28,990)	--
Total Operating transfers out.....	(47,934)	(47,934)	(45,303)	2,631
Total Other Financing Source (Uses) .....	(47,615)	(47,615)	(44,958)	2,657
Revenues and Other Source over (under) Expenditures and Other Uses .....	(6,000)	(6,000)	9,755	15,755
Unreserved - Undesignated Fund Balance - July 1 .....	6,000	6,000	15,580	9,580
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	\$ --	\$ --	25,335	\$ 25,335
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			1,377	
Expenditures - prior year encumbrances .....			(1,750)	
Decrease in reserved for encumbrances .....			589	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			25,551	
Reserved for Encumbrances - June 30 .....			1,533	
Fund Balance - June 30 (GAAP Basis) .....			\$ 27,084	



CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>TAXES</u></b>			
<b>GROSS RECEIPTS BUSINESS TAXES:</b>			
Public Utility Franchise Tax .....	\$ 22,800	\$ 23,748	\$ 948
<b>SELECTIVE SALES AND USE TAXES:</b>			
Fuel Tax .....	44,800	46,728	1,928
<b>TOTAL TAXES .....</b>	<b>67,600</b>	<b>70,476</b>	<b>2,876</b>
<b><u>LICENSES AND PERMITS</u></b>			
<b>NON-BUSINESS LICENSES AND PERMITS:</b>			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills .....	42	61	19
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax .....	25,147	26,323	1,176
Other Vehicle Licenses and Fees .....	1,063	1,177	114
Street and Sidewalk Use - Taxi Stand .....	10	9	(1)
Freight Curb and Passenger Loading Zone Permits .....	212	206	(6)
Excavation and Repair of Streets and Sidewalks .....	34	24	(10)
<b>TOTAL LICENSES AND PERMITS .....</b>	<b>26,508</b>	<b>27,800</b>	<b>1,292</b>
<b><u>CHARGES FOR SERVICES</u></b>			
<b>HIGHWAYS AND STREETS:</b>			
Street and Sidewalk Charges .....	59	36	(23)
Street Parking Meter Collections .....	2,230	2,254	24
Other Parking Meter Collections .....	1,599	1,817	218
Other .....	39	16	(23)
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>3,927</b>	<b>4,123</b>	<b>196</b>
<b><u>FINES AND FORFEITS</u></b>			
<b>FINES:</b>			
Fines .....	12	2	(10)
<b>TOTAL FINES AND FORFEITS .....</b>	<b>12</b>	<b>2</b>	<b>(10)</b>
<b><u>MISCELLANEOUS</u></b>			
<b>REIMBURSEMENTS AND RECOVERIES:</b>			
Reimbursement from State for			
Traffic Signal Maintenance .....	300	67	(233)
Recovery of Overhead Charges .....	13	7	(6)
Recovery of Embezzlement Loss .....	--	70	70
Recovery of Overtime Inspection .....	5	--	(5)
<b>Total Reimbursements and Recoveries .....</b>	<b>318</b>	<b>144</b>	<b>(174)</b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>OTHER MISCELLANEOUS:</b>			
Rents:			
Rental for Use of Land .....	69	65	(4)
Total Rents .....	69	65	(4)
Concessions:			
Kekaulike Parking Lot .....	96	21	(75)
Marin Towers Garage .....	211	233	22
Harbor Court Garage .....	390	349	(41)
Kukui Plaza Garage .....	647	683	36
Total Concessions .....	1,344	1,286	(58)
Other:			
Vacation Accumulation Deposits .....	--	21	21
Sundry Refunds .....	--	2,986	2,986
Total Other .....	--	3,007	3,007
Total Other Miscellaneous .....	1,413	4,358	2,945
TOTAL MISCELLANEOUS .....	1,731	4,502	2,771
TOTAL REVENUES .....	99,778	106,903	7,125
<b><u>OTHER FINANCING SOURCES</u></b>			
<b>SALES OF GENERAL FIXED ASSETS:</b>			
Sales of Fixed Assets .....	100	24	(76)
Compensation for Loss of Fixed Assets .....	219	321	102
TOTAL OTHER FINANCING SOURCES .....	319	345	26
TOTAL HIGHWAY FUND .....	<u>\$ 100,097</u>	<u>\$ 107,248</u>	<u>\$ 7,151</u>

CITY AND COUNTY OF HONOLULU  
HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED  
VEHICLES REVOLVING FUND

BALANCE SHEET  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 642	\$ 925
Total Asset .....	<u>\$ 642</u>	<u>\$ 925</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Checks payable .....	\$ 4	\$ 15
Accounts payable .....	49	30
Accrued payroll .....	14	--
Total Liabilities .....	<u>67</u>	<u>45</u>
Fund Balance:		
Reserved for encumbrances .....	104	558
Unreserved - undesignated .....	471	322
Total Fund Balance .....	<u>575</u>	<u>880</u>
Total Liabilities and Fund Balance .....	<u>\$ 642</u>	<u>\$ 925</u>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED  
VEHICLES REVOLVING FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services .....	\$ 1,100	\$ 1,123	\$ 23
Total Revenues .....	<u>1,100</u>	<u>1,123</u>	<u>23</u>
Expenditures:			
Current:			
General government:			
Customer Services .....	1,058	1,047	11
Culture-recreation:			
Parks and Recreation .....	<u>187</u>	<u>187</u>	<u>--</u>
Total Expenditures .....	<u>1,245</u>	<u>1,234</u>	<u>11</u>
Revenue under Expenditures .....	(145)	(111)	34
Other Financing Use:			
Operating transfer out:			
Reimbursement for central administrative service expenses - Budget and Fiscal Services .....	<u>(53)</u>	<u>(53)</u>	<u>--</u>
Revenue under Expenditures and Other Use .....	(198)	(164)	34
Unreserved - Undesignated Fund Balance - July 1 .....	<u>200</u>	<u>322</u>	<u>122</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 2</u>	158	<u>\$ 156</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		90	
Expenditures - prior year encumbrances .....		(231)	
Decrease in reserved for encumbrances .....		<u>454</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		471	
Reserved for Encumbrances - June 30 .....		<u>104</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 575</u>	

CITY AND COUNTY OF HONOLULU  
HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED  
VEHICLES REVOLVING FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>CHARGES FOR SERVICES</u>			
<u>HIGHWAYS AND STREETS:</u>			
Highway Beautification Fees .....	\$ 1,100	\$ 1,123	\$ 23
TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUES .....	<u>\$ 1,100</u>	<u>\$ 1,123</u>	<u>\$ 23</u>

CITY AND COUNTY OF HONOLULU  
**BIKEWAY FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 894	\$ 730
Total Asset .....	<u>\$ 894</u>	<u>\$ 730</u>
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Checks payable .....	\$ --	\$ 4
Total Liability .....	<u>--</u>	<u>4</u>
Fund Balance:		
Reserved for encumbrances .....	3	1
Unreserved - undesignated .....	<u>891</u>	<u>725</u>
Total Fund Balance .....	<u>894</u>	<u>726</u>
Total Liability and Fund Balance .....	<u>\$ 894</u>	<u>\$ 730</u>

CITY AND COUNTY OF HONOLULU  
**BIKEWAY FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits .....	\$ 466	\$ 341	\$ (125)
Total Revenues .....	466	341	(125)
Expenditures:			
Current:			
Public safety:			
Transportation Services .....	293	266	27
Highways and streets:			
Facility Maintenance .....	20	5	15
Total Expenditures .....	313	271	42
Revenue over Expenditures .....	153	70	(83)
Other Financing Source (Uses):			
Operating transfer in .....	--	327	327
Operating transfers out:			
Reimbursement for central administrative service expenses - Budget and Fiscal Services .....	(16)	(16)	--
Capital improvements:			
Budget and Fiscal Services .....	(1)	(1)	--
Design and Construction .....	(214)	(214)	--
Total Operating transfers out .....	(231)	(231)	--
Total Other Financing Source (Uses) .....	(231)	96	327
Revenue and Other Source over (under) Expenditures and Other Uses .....	(78)	166	244
Unreserved - Undesignated Fund Balance - July 1 .....	80	725	645
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 2	891	\$ 889
Adjustments to conform with generally accepted accepted accounting principles:			
Encumbrances included above .....		3	
Expenditures - prior year encumbrances .....		(1)	
Increase in reserved for encumbrances .....		(2)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		891	
Reserved for Encumbrances - June 30 .....		3	
Fund Balance - June 30 (GAAP Basis) .....		\$ 894	

CITY AND COUNTY OF HONOLULU  
**BIKEWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>LICENSES AND PERMITS</u>			
NON-BUSINESS LICENSES AND PERMITS:			
Other Vehicle Licenses and Fees -			
Bicycle Licenses .....	\$ 466	\$ 341	\$ (125)
TOTAL REVENUE .....	466	341	(125)
<u>OTHER FINANCING SOURCE</u>			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
Capital Projects Fund .....	--	327	327
TOTAL OTHER FINANCING SOURCE .....	--	327	327
TOTAL BIKEWAY FUND .....	\$ 466	\$ 668	\$ 202



CITY AND COUNTY OF HONOLULU  
**PARKS AND PLAYGROUNDS FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 4,888	\$ 4,959
Total Asset .....	<u>\$ 4,888</u>	<u>\$ 4,959</u>
<u>FUND BALANCE</u>		
Fund Balance:		
Unreserved - undesignated .....	\$ 4,888	\$ 4,959
Total Fund Balance .....	<u>\$ 4,888</u>	<u>\$ 4,959</u>

CITY AND COUNTY OF HONOLULU  
**PARKS AND PLAYGROUNDS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Fines and forfeits .....	\$ --	\$ 5	\$ 5
Miscellaneous:			
Other .....	--	294	294
Total Revenue .....	--	299	299
Other Financing Source (Uses):			
Operating transfer in .....	--	2,230	2,230
Operating transfers out:			
Capital improvements:			
Budget and Fiscal Services .....	(1)	(1)	--
Design and Construction .....	(2,599)	(2,599)	--
Total Other Financing Source (Uses) .....	(2,600)	(370)	2,230
Revenue and Other Source under Other Uses .....	(2,600)	(71)	2,529
Unreserved - Undesignated Fund Balance - July 1 .....	4,600	4,959	359
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 2,000</u>	4,888	<u>\$ 2,888</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		--	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		4,888	
Reserved for Encumbrances - June 30 .....		--	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 4,888</u>	

CITY AND COUNTY OF HONOLULU  
**PARKS AND PLAYGROUNDS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>FINES AND FORFEITS</u></b>			
<b><u>FINES:</u></b>			
Liquidated Contract Damages .....	\$ --	\$ 5	\$ 5
<b>TOTAL FINES AND FORFEITS .....</b>	<b>--</b>	<b>5</b>	<b>5</b>
<b><u>MISCELLANEOUS</u></b>			
<b><u>OTHER MISCELLANEOUS:</u></b>			
Contributions from Private Sources:			
Subdividers' Contributions for			
Parks and Playgrounds .....	\$ --	\$ 294	\$ 294
<b>TOTAL REVENUE .....</b>	<b>--</b>	<b>299</b>	<b>299</b>
<b><u>OTHER FINANCING SOURCE</u></b>			
<b><u>TRANSFER FROM OTHER FUND:</u></b>			
Other Transfer -			
Capital Projects Fund .....	--	2,230	2,230
<b>TOTAL OTHER FINANCING SOURCE .....</b>	<b>--</b>	<b>2,230</b>	<b>2,230</b>
<b>TOTAL PARKS AND PLAYGROUNDS FUND ....</b>	<b>\$ --</b>	<b>\$ 2,529</b>	<b>\$ 2,529</b>

CITY AND COUNTY OF HONOLULU  
**FEDERAL REVENUE SHARING FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 47	\$ 47
Total Asset .....	<u>\$ 47</u>	<u>\$ 47</u>
 <u>FUND BALANCE</u>		
Fund Balance:		
Unreserved - undesignated .....	\$ 47	\$ 47
Total Fund Balance .....	<u>\$ 47</u>	<u>\$ 47</u>

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 1,249	\$ 1,508
Total Asset .....	<u>\$ 1,249</u>	<u>\$ 1,508</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Checks payable .....	\$ 31	\$ 25
Accounts payable .....	1	2
Accrued payroll .....	<u>12</u>	<u>7</u>
Total Liabilities .....	<u>44</u>	<u>34</u>
Fund Balance:		
Reserved for encumbrances .....	122	66
Unreserved - undesignated .....	<u>1,083</u>	<u>1,408</u>
Total Fund Balance .....	<u>1,205</u>	<u>1,474</u>
Total Liabilities and Fund Balance .....	<u>\$ 1,249</u>	<u>\$ 1,508</u>

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits .....	\$ 2,495	\$ 2,576	\$ 81
Charges for services .....	129	115	(14)
Fines and forfeits .....	200	204	4
Miscellaneous:			
Other .....	--	10	10
Total Revenues .....	<u>2,824</u>	<u>2,905</u>	<u>81</u>
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services .....	2,833	2,313	520
Corporation Counsel .....	54	31	23
Information Technology .....	45	17	28
Total General government .....	<u>2,932</u>	<u>2,361</u>	<u>571</u>
Miscellaneous:			
Retirement and health benefits:			
Provisional .....	515	467	48
Other:			
Provisional .....	162	50	112
Total Miscellaneous .....	<u>677</u>	<u>517</u>	<u>160</u>
Total Expenditures .....	<u>3,609</u>	<u>2,878</u>	<u>731</u>
Revenues over (under) Expenditures .....	<u>(785)</u>	<u>27</u>	<u>812</u>
Other Financing Uses:			
Operating transfers out:			
Reimbursement for central administrative service expenses - Budget and Fiscal Services .....	(155)	(155)	--
Other - Budget and Fiscal Services .....	(200)	(200)	--
Total Other Financing Uses .....	<u>(355)</u>	<u>(355)</u>	<u>--</u>
Revenues under Expenditures and Other Uses .....	(1,140)	(328)	812
Unreserved - Undesignated Fund Balance - July 1 .....	<u>1,160</u>	<u>1,408</u>	<u>248</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 20</u>	1,080	<u>\$ 1,060</u>

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		122	
Expenditures - prior year encumbrances .....		(63)	
Increase in reserved for encumbrances .....		<u>(56)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		1,083	
Reserved for Encumbrances - June 30 .....		<u>122</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 1,205</u>	

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>LICENSES AND PERMITS</u></b>			
<b><u>BUSINESS LICENSES AND PERMITS:</u></b>			
Alcoholic Licenses and Permits .....	\$ 2,495	\$ 2,576	\$ 81
<b><u>CHARGES FOR SERVICES</u></b>			
<b><u>GENERAL GOVERNMENT:</u></b>			
Charges for Publications, Reports, Copies, etc. ....	3	2	(1)
Fees:			
Charge for Photo I.D. ....	120	106	(14)
Other .....	6	7	1
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>129</b>	<b>115</b>	<b>(14)</b>
<b><u>FINES AND FORFEITS</u></b>			
<b><u>FINES:</u></b>			
Fines - Liquor Commission .....	200	204	4
<b><u>MISCELLANEOUS</u></b>			
<b><u>OTHER MISCELLANEOUS:</u></b>			
Other:			
Vacation Accumulation Deposits .....	--	10	10
<b>TOTAL LIQUOR COMMISSION FUND REVENUES .....</b>	<b>\$ 2,824</b>	<b>\$ 2,905</b>	<b>\$ 81</b>



CITY AND COUNTY OF HONOLULU  
**RENTAL ASSISTANCE FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 1,037	\$ 1,033
Total Asset .....	<u>\$ 1,037</u>	<u>\$ 1,033</u>
<b><u>LIABILITY AND FUND BALANCE</u></b>		
Liability:		
Checks payable .....	\$ --	\$ 8
Total Liability .....	<u>--</u>	<u>8</u>
Fund Balance:		
Reserved for encumbrances .....	--	--
Unreserved - undesignated .....	<u>1,037</u>	<u>1,025</u>
Total Fund Balance .....	<u>1,037</u>	<u>1,025</u>
Total Liability and Fund Balance .....	<u>\$ 1,037</u>	<u>\$ 1,033</u>

CITY AND COUNTY OF HONOLULU  
**RENTAL ASSISTANCE FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other .....	\$ --	\$ 195	\$ 195
Total Revenue .....	<u>--</u>	<u>195</u>	<u>195</u>
Expenditure:			
Current:			
Health and human resources:			
Community Services .....	<u>233</u>	<u>171</u>	<u>62</u>
Total Expenditure .....	<u>233</u>	<u>171</u>	<u>62</u>
Revenue over (under) Expenditure .....	(233)	24	257
Other Financing Use:			
Operating transfer out:			
Reimbursement for central administrative service expenses - Budget and Fiscal Services .....	<u>(12)</u>	<u>(12)</u>	<u>--</u>
Revenue over (under) Expenditure and Other Use ...	(245)	12	257
Unreserved - Undesignated Fund Balance - July 1 .....	<u>875</u>	<u>1,025</u>	<u>150</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 630</u>	1,037	<u>\$ 407</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		1,037	
Reserved for Encumbrances - June 30 .....		<u>--</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 1,037</u>	

CITY AND COUNTY OF HONOLULU  
**RENTAL ASSISTANCE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
OTHER MISCELLANEOUS:			
Rents:			
Rental of Parking Stalls .....	\$           --	\$       195	\$       195
 TOTAL RENTAL ASSISTANCE			
FUND REVENUE .....	<u>\$           --</u>	<u>\$       195</u>	<u>\$       195</u>

CITY AND COUNTY OF HONOLULU  
**ZOO ANIMAL PURCHASE FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 42	\$ 40
Total Asset .....	<u>\$ 42</u>	<u>\$ 40</u>
<b><u>LIABILITY AND FUND BALANCE</u></b>		
Liability:		
Checks payable .....	\$ 1	\$ --
Total Liability .....	<u>1</u>	<u>--</u>
Fund Balance:		
Unreserved - undesignated .....	<u>41</u>	<u>40</u>
Total Liability and Fund Balance .....	<u>\$ 42</u>	<u>\$ 40</u>

CITY AND COUNTY OF HONOLULU  
**ZOO ANIMAL PURCHASE FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other .....	\$ 1	\$ 5	\$ 4
Total Revenue .....	1	5	4
Expenditure:			
Current:			
Culture-recreation:			
Enterprise Services .....	35	4	31
Revenue over (under) Expenditure .....	(34)	1	35
Unreserved - Undesignated Fund Balance - July 1 .....	36	40	4
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 2</u>	41	<u>\$ 39</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		--	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		41	
Reserved for Encumbrances - June 30 .....		--	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 41</u>	

CITY AND COUNTY OF HONOLULU  
**ZOO ANIMAL PURCHASE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
OTHER MISCELLANEOUS:			
Other:			
Sale of Animals .....	\$ 1	\$ 5	\$ 4
 TOTAL ZOO ANIMAL PURCHASE FUND REVENUE .....	 \$ 1	 \$ 5	 \$ 4

CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 1,445	\$ 2,122
Total Asset .....	<u>\$ 1,445</u>	<u>\$ 2,122</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Checks payable .....	\$ 4	\$ 71
Accounts payable .....	5	8
Accrued payroll .....	<u>21</u>	<u>16</u>
Total Liabilities .....	<u>30</u>	<u>95</u>
Fund Balance:		
Reserved for encumbrances .....	406	113
Unreserved - undesignated .....	<u>1,009</u>	<u>1,914</u>
Total Fund Balance .....	<u>1,415</u>	<u>2,027</u>
Total Liabilities and Fund Balance .....	<u>\$ 1,445</u>	<u>\$ 2,122</u>

CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services .....	\$ 2,500	\$ 2,108	\$ (392)
Miscellaneous:			
Other .....	981	337	(644)
Total Revenue .....	3,481	2,445	(1,036)
Expenditures:			
Current:			
Public safety:			
Emergency Services .....	330	330	--
Culture-recreation:			
Enterprise Services .....	12	7	5
Parks and Recreation .....	2,235	1,983	252
Total Culture-recreation .....	2,247	1,990	257
Miscellaneous:			
Retirement and health benefits:			
Provisional .....	336	336	--
Other:			
Provisional .....	49	1	48
Total Miscellaneous .....	385	337	48
Total Expenditures .....	2,962	2,657	305
Revenue over (under) Expenditures .....	519	(212)	(731)
Other Financing Uses:			
Operating transfers out:			
Debt service - Budget and Fiscal Services .....	(496)	(496)	--
Reimbursement for central administrative service expenses - Budget and Fiscal Services .....	(198)	(198)	--
Total Other Financing Uses .....	(694)	(694)	--
Revenue under Expenditures and Other Uses .....	(175)	(906)	(731)
Unreserved - Undesignated Fund Balance - July 1 .....	2,350	1,914	(436)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 2,175	1,008	\$ (1,167)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		405	
Expenditures - prior year encumbrances .....		(111)	
Increase in reserved for encumbrances .....		(293)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		1,009	
Reserved for Encumbrances - June 30 .....		406	
Fund Balance - June 30 (GAAP Basis) .....		\$ 1,415	



CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual on Budgetary Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>CHARGES FOR SERVICES</u></b>			
<b>HIGHWAYS AND STREETS:</b>			
Hanauma Bay Parking .....	\$ 200	\$ 188	\$ (12)
<b>CULTURE-RECREATION:</b>			
Miscellaneous:			
Hanauma Bay Admission Fee .....	<u>2,300</u>	<u>1,920</u>	<u>(380)</u>
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b><u>2,500</u></b>	<b><u>2,108</u></b>	<b><u>(392)</u></b>
<b><u>MISCELLANEOUS</u></b>			
<b>OTHER MISCELLANEOUS:</b>			
Concessions:			
Parks and Recreation Facilities:			
Hanauma Beach Park Concession .....	180	5	(175)
Hanauma Shuttle Bus Service .....	68	38	(30)
Hanauma Snorkling Rental .....	<u>733</u>	<u>294</u>	<u>(439)</u>
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>981</u></b>	<b><u>337</u></b>	<b><u>(644)</u></b>
<b>TOTAL HANAUMA BAY NATURE PRESERVE FUND REVENUES .....</b>	<b><u>\$ 3,481</u></b>	<b><u>\$ 2,445</u></b>	<b><u>\$ (1,036)</u></b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL RESERVE FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 5,034	\$ 5,034
Total Asset .....	<u>\$ 5,034</u>	<u>\$ 5,034</u>
<u>FUND BALANCE</u>		
Fund Balance:		
Unreserved - undesignated .....	\$ 5,034	\$ 5,034
Total Fund Balance .....	<u>\$ 5,034</u>	<u>\$ 5,034</u>

CITY AND COUNTY OF HONOLULU  
**COMMUNITY DEVELOPMENT FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash and investments:		
With Treasury .....	\$ 175	\$ 89
Due from other fund:		
Federal Grants Capital Projects Fund .....	<u>180</u>	<u>--</u>
Total Assets .....	<u><u>\$ 355</u></u>	<u><u>\$ 89</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Checks payable .....	\$ 33	\$ 9
Accounts payable .....	<u>180</u>	<u>--</u>
Total Liabilities .....	<u>213</u>	<u>9</u>
Fund Balance:		
Reserved for encumbrances .....	15,381	903
Unreserved - undesignated .....	<u>(15,239)</u>	<u>(823)</u>
Total Fund Balance .....	<u>142</u>	<u>80</u>
Total Liabilities and Fund Balance .....	<u><u>\$ 355</u></u>	<u><u>\$ 89</u></u>

CITY AND COUNTY OF HONOLULU  
**COMMUNITY DEVELOPMENT FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental .....	\$ 13,915	\$ 9,151	\$ (4,764)
Total Revenues .....	13,915	9,151	(4,764)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services .....	591	349	242
Design and Construction .....	150	35	115
Mayor .....	147	60	87
Total General government .....	888	444	444
Health and human resources:			
Community Services .....	517	517	--
Utilities or other enterprises:			
Transportation Services .....	1,000	1,000	--
Capital improvements:			
Budget and Fiscal Services .....	1	1	--
Design and Construction .....	13,614	13,614	--
Community Services .....	180	180	--
Total Capital improvements .....	13,795	13,795	--
Total Expenditures .....	16,200	15,756	444
Revenues under Expenditures .....	(2,285)	(6,605)	(4,320)
Unreserved - Undesignated Fund Balance - July 1 .....	2,285	(823)	(3,108)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	(7,428)	\$ (7,428)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		12,311	
Expenditures - prior year encumbrances .....		(615)	
Increase in reserved for encumbrances .....		(14,478)	
Operating transfers out - prior year encumbrances .....		(5,029)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		(15,239)	
Reserved for Encumbrances - June 30 .....		15,381	
Fund Balance - June 30 (GAAP Basis) .....		\$ 142	

CITY AND COUNTY OF HONOLULU  
**COMMUNITY DEVELOPMENT FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
FEDERAL GRANTS:			
Community Development Block Grant .....	\$ 13,915	\$ 8,802	\$ (5,113)
Home Grant .....	<u>--</u>	<u>349</u>	<u>\$ 349</u>
TOTAL COMMUNITY DEVELOPMENT FUND REVENUES .....	<u>\$ 13,915</u>	<u>\$ 9,151</u>	<u>\$ (4,764)</u>

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
BALANCE SHEET  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 658	\$ 318
Due from other fund:		
General Fund .....	<u>100</u>	<u>--</u>
Total Assets .....	<u><u>\$ 758</u></u>	<u><u>\$ 318</u></u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Checks payable .....	\$ 84	\$ 12
Accounts payable .....	168	30
Accrued payroll .....	<u>52</u>	<u>43</u>
Total Liabilities .....	<u>304</u>	<u>85</u>
Fund Balance:		
Reserved for encumbrances .....	449	259
Unreserved - undesignated .....	<u>5</u>	<u>(26)</u>
Total Fund Balance .....	<u>454</u>	<u>233</u>
Total Liabilities and Fund Balance .....	<u><u>\$ 758</u></u>	<u><u>\$ 318</u></u>

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services .....	\$ 6,396	\$ 5,775	\$ (621)
Miscellaneous:			
Other .....	3,845	3,446	(399)
Total Revenues .....	10,241	9,221	(1,020)
Expenditures:			
Current:			
Culture-recreation:			
Enterprise Services .....	8,357	7,641	716
Miscellaneous:			
Retirement and health benefits:			
Provisional .....	1,292	1,292	--
Other:			
Provisional .....	259	25	234
Total Miscellaneous .....	1,551	1,317	234
Total Expenditures .....	9,908	8,958	950
Revenues over Expenditures .....	333	263	(70)
Other Finance Source (Uses):			
Operating transfer in .....	7,923	7,923	--
Operating transfers out:			
Debt service - Budget and Fiscal Services .....	(7,391)	(7,391)	--
Reimbursement for central administrative service expenses - Budget and Fiscal Services .....	(865)	(765)	100
Total Other Financing Source (Uses) .....	(333)	(233)	100
Revenues and Other Source over Expenditures and Other Uses .....	--	30	30
Unreserved - Undesignated Fund Balance - July 1 .....	--	(26)	(26)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	4	\$ 4

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		447	
Expenditures - prior year encumbrances .....		(256)	
Increase in reserved for encumbrances .....		<u>(190)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		5	
Reserved for Encumbrances - June 30 .....		<u>449</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u><u>\$ 454</u></u>	



CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>CHARGES FOR SERVICES</u></b>			
<b><u>CULTURE-RECREATION:</u></b>			
Golf Course Fees .....	\$ 6,396	\$ 5,775	\$ (621)
TOTAL CHARGES FOR SERVICES .....	6,396	5,775	(621)
<b><u>MISCELLANEOUS</u></b>			
<b><u>OTHER MISCELLANEOUS:</u></b>			
Rents:			
Golf Cart Rentals .....	3,216	2,894	(322)
Total Rents .....	3,216	2,894	(322)
Concessions:			
Food Concession - Golf Courses .....	258	195	(63)
Golf Course - Pro Shops .....	11	6	(5)
Golf Course - Driving Range .....	360	318	(42)
Total Concessions .....	629	519	(110)
Other:			
Sundry Refunds .....	--	33	33
TOTAL MISCELLANEOUS .....	3,845	3,446	(399)
TOTAL REVENUES .....	10,241	9,221	(1,020)
<b><u>OTHER FINANCING SOURCE</u></b>			
<b><u>TRANSFER FROM OTHER FUND:</u></b>			
Other Transfer -			
General Fund .....	7,923	7,923	--
TOTAL GOLF FUND .....	\$ 18,164	\$ 17,144	\$ (1,020)

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 437	\$ 1,129
Total Asset .....	<u>\$ 437</u>	<u>\$ 1,129</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Checks payable .....	\$ 40	\$ 14
Accounts payable .....	67	66
Accrued payroll .....	<u>89</u>	<u>74</u>
Total Liabilities .....	<u>196</u>	<u>154</u>
Fund Balance:		
Reserved for encumbrances .....	235	318
Unreserved - undesignated .....	<u>6</u>	<u>657</u>
Total Fund Balance .....	<u>241</u>	<u>975</u>
Total Liabilities and Fund Balance .....	<u>\$ 437</u>	<u>\$ 1,129</u>

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services .....	\$ 1,702	\$ 1,326	\$ (376)
Miscellaneous:			
Reimbursements and recoveries .....	10	23	13
Interest .....	35	4	(31)
Other .....	4,895	4,290	(605)
Total Revenues .....	6,642	5,643	(999)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services .....	115	110	5
Corporation Counsel .....	1	--	1
Total General government .....	116	110	6
Culture-recreation:			
Enterprise Services .....	7,597	7,165	432
Miscellaneous:			
Retirement and health benefits:			
Provisional .....	1,538	1,538	--
Other:			
Provisional .....	450	75	375
Total Miscellaneous .....	1,988	1,613	375
Total Expenditures .....	9,701	8,888	813
Revenues under Expenditures .....	(3,059)	(3,245)	(186)
Other Finance Source (Uses):			
Operating transfer in .....	4,907	4,907	--
Operating transfers out:			
Debt service - Budget and Fiscal Services .....	(1,787)	(1,787)	--
Reimbursement for central administrative service expenses - Budget and Fiscal Services .....	(590)	(590)	--
Total Other Financing Source (Uses) .....	2,530	2,530	--

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues and Other Source under Expenditures and Other Uses .....	(529)	(715)	(186)
Unreserved - Undesignated Fund Balance - July 1 .....	<u>529</u>	<u>657</u>	<u>128</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ --</u>	(58)	<u>\$ (58)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		207	
Expenditures - prior year encumbrances .....		(241)	
Accrued retroactive payroll .....		15	
Decrease in reserved for encumbrances .....		<u>83</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		6	
Reserved for Encumbrances - June 30 .....		<u>235</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 241</u>	

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>CHARGES FOR SERVICES</b>			
<b>GENERAL GOVERNMENT:</b>			
Surcharge on Auditorium Tickets .....	\$ 90	\$ 75	\$ (15)
<b>CULTURE-RECREATION:</b>			
Honolulu Zoo .....	1,612	1,251	(361)
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>1,702</b>	<b>1,326</b>	<b>(376)</b>
<b>MISCELLANEOUS</b>			
<b>REIMBURSEMENTS AND RECOVERIES:</b>			
Recovery of Utility Charges .....	10	23	13
<b>INTEREST:</b>			
<b>Interest Earnings:</b>			
Investments .....	35	4	(31)
<b>OTHER MISCELLANEOUS:</b>			
<b>Rents:</b>			
Rental for Use of Land .....	20	21	1
Rental of Auditorium Facilities .....	1,499	1,340	(159)
Auditorium Equipment Rental .....	845	720	(125)
<b>Rental of Other Properties:</b>			
Parking Stalls .....	2	2	--
<b>Total Rents .....</b>	<b>2,366</b>	<b>2,083</b>	<b>(283)</b>
<b>Concessions:</b>			
Food Concession - Auditoriums .....	510	416	(94)
Food Concession - Honolulu Zoo .....	86	60	(26)
Food Concession - Parks .....	250	234	(16)
Parking - Auditoriums .....	890	940	50
Camera Shop - Auditoriums .....	4	3	(1)
Novelty Sales Concession - Auditoriums .....	60	15	(45)
Other - Auditoriums .....	4	3	(1)
Beach Concession - Parks .....	340	310	(30)
Pouring Rights .....	366	213	(153)
Other Concessions .....	19	9	(10)
<b>Total Concessions .....</b>	<b>2,529</b>	<b>2,203</b>	<b>(326)</b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
Other:			
Sundry Refunds .....	--	4	4
Total Other Miscellaneous .....	4,895	4,290	(605)
TOTAL MISCELLANEOUS .....	4,940	4,317	(623)
TOTAL REVENUES .....	6,642	5,643	(999)
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund .....	4,907	4,907	--
TOTAL SPECIAL EVENTS FUND .....	<u>\$ 11,549</u>	<u>\$ 10,550</u>	<u>\$ (999)</u>

CITY AND COUNTY OF HONOLULU  
**FARMERS HOME ADMINISTRATION LOAN FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 46	\$ 46
Total Asset .....	<u>\$ 46</u>	<u>\$ 46</u>
<u>FUND BALANCE</u>		
Fund Balance:		
Unreserved - undesignated .....	\$ 46	\$ 46
Total Fund Balance .....	<u>\$ 46</u>	<u>\$ 46</u>

CITY AND COUNTY OF HONOLULU  
**SPECIAL PROJECTS FUND**  
BALANCE SHEET  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 1,486	\$ 1,491
Receivable:		
Intergovernmental .....	<u>388</u>	<u>687</u>
Total Assets .....	<u>\$ 1,874</u>	<u>\$ 2,178</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Checks payable .....	\$ 149	\$ 167
Accounts payable .....	10	9
Due to other fund:		
General Fund .....	65	--
Deferred revenue .....	<u>180</u>	<u>343</u>
Total Liabilities .....	<u>404</u>	<u>519</u>
Fund Balance:		
Reserved for encumbrances .....	1,976	2,290
Unreserved - undesignated .....	<u>(506)</u>	<u>(631)</u>
Total Fund Balance .....	<u>1,470</u>	<u>1,659</u>
Total Liabilities and Fund Balance .....	<u>\$ 1,874</u>	<u>\$ 2,178</u>



CITY AND COUNTY OF HONOLULU  
**SPECIAL PROJECTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental .....	\$ 5,688	\$ 6,043	\$ 5,399	\$ (644)
Total Revenues .....	<u>5,688</u>	<u>6,043</u>	<u>5,399</u>	<u>(644)</u>
Expenditures:				
Current:				
General government:				
City Council .....	--	44	44	--
Customer Services .....	43	43	43	--
Prosecuting Attorney .....	974	1,248	1,192	56
Total General government .....	<u>1,017</u>	<u>1,335</u>	<u>1,279</u>	<u>56</u>
Public safety:				
Emergency Services .....	322	322	322	--
Mayor .....	--	37	19	18
Total Public safety .....	<u>322</u>	<u>359</u>	<u>341</u>	<u>18</u>
Highways and streets:				
Facility Maintenance .....	185	185	--	185
Health and human resources:				
Community Services .....	3,990	3,990	3,654	336
Culture-recreation:				
Parks and Recreation .....				--
Total Expenditures .....	<u>5,514</u>	<u>5,869</u>	<u>5,274</u>	<u>595</u>
Revenues over Expenditures .....	174	174	125	(49)
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	(631)	(631)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 174</u>	<u>\$ 174</u>	(506)	<u>\$ (680)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			456	
Expenditures - prior year encumbrances .....			(770)	
Decrease in reserved for encumbrances .....			314	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			(506)	
Reserved for Encumbrances - June 30 .....			<u>1,976</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 1,470</u>	

CITY AND COUNTY OF HONOLULU  
**SPECIAL PROJECTS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>INTERGOVERNMENTAL</u></b>				
<b>STATE GRANTS:</b>				
Community Programming .....	\$ --	\$ 44	\$ 87	\$ 43
Hawaii Career Criminal Prosecution .....	650	881	783	(98)
Ho'Ala - JTPA .....	706	706	521	(185)
Jobs - JTPA .....	243	243	186	(57)
LEPC Emergency Planning and Preparedness .....	--	37	19	(18)
Lifeguard Services at State Parks .....	643	643	322	(321)
North-South Road, Phase I .....	--	--	125	125
Oahu Film Office .....	30	30	--	(30)
Program on Aging-State Share .....	3,036	3,036	2,947	(89)
Victim/Witness Kokua .....	380	423	409	(14)
<b>TOTAL SPECIAL PROJECTS FUND REVENUES .....</b>	<b>\$ 5,688</b>	<b>\$ 6,043</b>	<b>\$ 5,399</b>	<b>\$ (644)</b>

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 5,869	\$ 6,796
Receivable:		
Intergovernmental .....	662	178
Due from other fund:		
Federal Grants Capital Projects Fund .....	13	--
Total Assets .....	<u>\$ 6,544</u>	<u>\$ 6,974</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Checks payable .....	\$ 426	\$ 464
Accounts payable .....	1,499	17
Deferred revenue .....	<u>1,270</u>	<u>773</u>
Total Liabilities .....	<u>3,195</u>	<u>1,254</u>
Fund Balance:		
Reserved for encumbrances .....	7,795	9,355
Unreserved - undesignated .....	<u>(4,446)</u>	<u>(3,635)</u>
Total Fund Balance .....	<u>3,349</u>	<u>5,720</u>
Total Liabilities and Fund Balance .....	<u>\$ 6,544</u>	<u>\$ 6,974</u>

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental .....	\$ 41,894	\$ 53,896	\$ 43,541	\$ (10,355)
Miscellaneous:				
Interest .....	--	14	20	6
Total Revenues .....	41,894	53,910	43,561	(10,349)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services .....	313	313	243	70
Design and Construction .....	--	13	12	1
Information Technology .....	80	80	43	37
Planning and Permitting .....	186	198	186	12
Prosecuting Attorney .....	746	1,532	975	557
Total General government .....	1,325	2,136	1,459	677
Public safety:				
Fire .....	--	202	202	--
Mayor .....	--	300	21	279
Police .....	--	4,902	2,297	2,605
Transportation Services .....	--	11	4	7
Total Public safety .....	--	5,415	2,524	2,891
Sanitation:				
Environmental Services .....	--	35	28	7
Health and human resources:				
Community Services .....	19,269	24,868	19,952	4,916
Emergency Services .....	--	10	10	--
Total Health and human resources .....	19,269	24,878	19,962	4,916
Culture-recreation:				
Parks and Recreation .....	340	419	254	165
Utilities or other enterprises:				
Transportation Services .....	20,960	21,027	20,977	50
Total Expenditures .....	41,894	53,910	45,204	8,706

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over (under) Expenditures .....	--	--	(1,643)	(1,643)
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	(3,635)	(3,635)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ --</u>	<u>\$ --</u>	(5,278)	<u>\$ (5,278)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			4,920	
Expenditures - prior year encumbrances .....			(5,648)	
Decrease in reserved for encumbrances .....			<u>1,560</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			(4,446)	
Reserved for Encumbrances - June 30 .....			<u>7,795</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 3,349</u>	

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>INTERGOVERNMENTAL</u></b>				
<b>FEDERAL GRANTS:</b>				
Coastal Zone Management .....	\$ 190	\$ 202	\$ 186	\$ (16)
Community Prosecution .....	--	4	48	44
Community Voice Project .....	--	--	14	14
Crime Victim Assistance Grant .....	300	705	311	(394)
DEA Marijuana Grant .....	--	200	200	--
Domestic Preparedness-Weapons of Mass Destruction .	--	202	300	98
Domestic Violence .....	260	274	100	(174)
Drug Recognition Expert .....	90	123	20	(103)
Elderly Victims of Crime .....	--	201	85	(116)
Forensic DNA Testing .....	--	57	42	(15)
Federal Transit Administration .....	20,960	21,027	20,977	(50)
Gun Violence Prosecution .....	--	40	--	(40)
High Intensity Drug Trafficking Area .....	--	3,534	1,033	(2,501)
Ho'omana Youth Program .....	100	100	--	(100)
Home Grant .....	70	70	12	(58)
HUD Youthbuild .....	97	238	56	(182)
Island Based Development Challenge .....	--	111	23	(88)
Juvenile Accountability .....	250	1,574	319	(1,255)
Juvenile Justice Center .....	--	196	196	--
Juvenile Justice Waipahu .....	--	--	63	63
Local Law Enforcement Block Grant-Fourth Year .....	--	5	--	(5)
Local Law Enforcement Block Grant-Fifth Year .....	--	--	283	283
Local Law Enforcement Block Grant-Sixth Year .....	--	824	539	(285)
Metropolitan Medical Strike Team .....	--	10	10	--
Pearl City Community Youth .....	--	--	57	57
PHDEP Grant .....	--	362	257	(105)
Program on Aging .....	2,845	2,845	2,951	106
Project Impact Initiative - Honolulu .....	--	300	21	(279)
Rebuild America Program .....	--	13	12	(1)
Shelter Plus Care Program .....	--	1,263	481	(782)
Speed Control Application .....	--	11	12	1
Summer Food Service .....	240	240	254	14
Supportive Housing .....	--	850	597	(253)
Title V-Juvenile Justice and Delinquency .....	194	194	--	(194)
Twenty-first Century Learning Centers .....	--	79	--	(79)
Waianae Coast Watershed Management .....	--	35	28	(7)
Weed and Seed Grant .....	80	80	--	(80)
Workforce Investment Act .....	16,133	17,842	14,054	(3,788)
Youth Violence .....	85	85	--	(85)
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b>41,894</b>	<b>53,896</b>	<b>43,541</b>	<b>(10,355)</b>

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

(Page 2 of 2)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments .....	--	14	20	6
TOTAL MISCELLANEOUS .....	--	14	20	6
TOTAL FEDERAL GRANTS FUND REVENUES .....	<u>\$ 41,894</u>	<u>\$ 53,910</u>	<u>\$ 43,561</u>	<u>\$ (10,349)</u>

CITY AND COUNTY OF HONOLULU  
HOUSING AND COMMUNITY DEVELOPMENT  
REHABILITATION LOAN FUND

BALANCE SHEET  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash and investments:		
With Treasury .....	\$ 8,651	\$ 7,972
Receivable:		
Loans .....	<u>12,464</u>	<u>13,263</u>
Total Assets .....	<u>\$ 21,115</u>	<u>\$ 21,235</u>
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Deferred revenue .....	<u>\$ 12,464</u>	<u>\$ 13,263</u>
Total Liability .....	<u>12,464</u>	<u>13,263</u>
Fund Balance:		
Reserved for encumbrances .....	<u>8,651</u>	<u>7,972</u>
Total Fund Balance .....	<u>8,651</u>	<u>7,972</u>
Total Liability and Fund Balance .....	<u>\$ 21,115</u>	<u>\$ 21,235</u>



CITY AND COUNTY OF HONOLULU  
**HOUSING AND COMMUNITY DEVELOPMENT**  
**REHABILITATION LOAN FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous:			
Interest .....	\$ 533	\$ 250	\$ (283)
Other .....	2,845	2,023	(822)
Total Revenues .....	3,378	2,273	(1,105)
Expenditure:			
Current:			
Health and human resources:			
Community Services .....	3,255	2,273	982
Total Expenditure .....	3,255	2,273	982
Revenues over Expenditure .....	123	--	(123)
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 123</u>	--	<u>\$ (123)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		1,054	
Expenditures - prior year encumbrances .....		(375)	
Increase in reserved for encumbrances .....		(679)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		--	
Reserved for Encumbrances - June 30 .....		8,651	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 8,651</u>	

CITY AND COUNTY OF HONOLULU  
HOUSING AND COMMUNITY DEVELOPMENT  
REHABILITATION LOAN FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$ 525	\$ 249	\$ (276)
Other Sources .....	8	1	(7)
Total Interest .....	533	250	(283)
<b>OTHER MISCELLANEOUS:</b>			
Repayments of Department of Housing and Community Development Loans:			
Principal .....	2,675	1,937	(738)
Interest .....	168	85	(83)
Late Charge .....	2	1	(1)
Total Other Miscellaneous .....	2,845	2,023	(822)
<b>TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND REVENUES .....</b>	<b>\$ 3,378</b>	<b>\$ 2,273</b>	<b>\$ (1,105)</b>

CITY AND COUNTY OF HONOLULU  
PAUAAHI PROJECT EXPENDITURES, HAWAII R-15 FUND

BALANCE SHEET  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 2,749	\$ 2,612
Total Asset .....	<u>\$ 2,749</u>	<u>\$ 2,612</u>
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Deferred revenue .....	\$ 487	\$ 483
Total Liability .....	<u>487</u>	<u>483</u>
Fund Balance:		
Reserved for encumbrances .....	1,764	1,764
Unreserved - undesignated .....	<u>498</u>	<u>365</u>
Total Fund Balance .....	<u>2,262</u>	<u>2,129</u>
Total Liability and Fund Balance .....	<u>\$ 2,749</u>	<u>\$ 2,612</u>

CITY AND COUNTY OF HONOLULU  
**PAUAAHI PROJECT EXPENDITURES, HAWAII R-15 FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenue:			
Miscellaneous:			
Interest .....	\$ 113	\$ 133	\$ 20
Total Revenue .....	113	133	20
Unreserved - Undesignated Fund Balance - July 1 .....	<u>351</u>	<u>365</u>	<u>14</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 464</u>	498	<u>\$ 34</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		498	
Reserved for Encumbrances - June 30 .....		<u>1,764</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 2,262</u>	

CITY AND COUNTY OF HONOLULU  
**PAUAHI PROJECT EXPENDITURES, HAWAII R-15 FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	Original and Final <u>Budget</u>	<u>Actual</u>	Final Variance Favorable (Unfavorable)
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments .....	\$ 113	\$ 133	\$ 20
 TOTAL PAUAHI PROJECT EXPENDITURES, HAWAII R-15 FUND REVENUES .....	 \$ 113	 \$ 133	 \$ 20

CITY AND COUNTY OF HONOLULU  
HOUSING AND COMMUNITY DEVELOPMENT  
SECTION 8 CONTRACT FUND

BALANCE SHEET  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash and investments:		
With Treasury .....	\$ 4,384	\$ 4,244
Receivables:		
Accounts (net of allowance for uncollectibles).....	<u>146</u>	<u>--</u>
Total Assets .....	<u>\$ 4,530</u>	<u>\$ 4,244</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Checks payable .....	\$ 103	\$ 89
Accounts payable .....	141	6
Deferred revenue .....	<u>583</u>	<u>--</u>
Total Liabilities .....	<u>827</u>	<u>95</u>
Fund Balance:		
Reserved for encumbrances .....	3,665	4,113
Unreserved - undesignated .....	<u>38</u>	<u>36</u>
Total Fund Balance .....	<u>3,703</u>	<u>4,149</u>
Total Liabilities and Fund Balance .....	<u>\$ 4,530</u>	<u>\$ 4,244</u>

CITY AND COUNTY OF HONOLULU  
**HOUSING AND COMMUNITY DEVELOPMENT**  
**SECTION 8 CONTRACT FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental .....	\$ 36,660	\$ 24,780	\$ (11,880)
Miscellaneous:			
Interest .....	--	460	460
Other .....	--	20	20
Total Revenues .....	<u>36,660</u>	<u>25,260</u>	<u>(11,400)</u>
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services .....	115	107	8
Facility Maintenance .....	2,200	2,056	144
Information Technology .....	34	33	1
Total General government .....	<u>2,349</u>	<u>2,196</u>	<u>153</u>
Health and human resources:			
Community Services .....	<u>34,311</u>	<u>24,982</u>	<u>9,329</u>
Total Expenditures .....	<u>36,660</u>	<u>27,178</u>	<u>9,482</u>
Revenues under Expenditures .....	--	(1,918)	(1,918)
Other Financing Source:			
Operating transfer in .....	--	335	335
Revenue and Other Source under Expenditures .....	--	(1,583)	(1,583)
Unreserved - Undesignated Fund Balance - July 1 .....	<u>--</u>	<u>36</u>	<u>36</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ --</u>	<u>(1,547)</u>	<u>\$ (1,547)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		1,156	
Expenditures - prior year encumbrances .....		(19)	
Decrease in reserved for encumbrances .....		<u>448</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		38	
Reserved for Encumbrances - June 30 .....		<u>3,665</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 3,703</u>	

CITY AND COUNTY OF HONOLULU  
HOUSING AND COMMUNITY DEVELOPMENT  
SECTION 8 CONTRACT FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
FEDERAL GRANTS:			
Section 8 Grants:			
Existing Housing Assistance Payment Program .....	\$ 927	\$ --	\$ (927)
Moderate Rehabilitation Program, (001) .....	70	61	(9)
New Construction Program .....	--	2,006	2,006
Existing Housing Voucher Program .....	35,553	22,618	(12,935)
Moderate Rehabilitation Program, (002) .....	110	95	(15)
TOTAL INTERGOVERNMENTAL .....	36,660	24,780	(11,880)
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments .....	--	458	458
Other Sources .....	--	2	2
Total Interest .....	--	460	460
OTHER MISCELLANEOUS:			
Other:			
Escheats .....	--	20	20
Total Other Miscellaneous .....	--	20	20
TOTAL MISCELLANEOUS .....	--	480	480
TOTAL REVENUE .....	36,660	25,260	(11,400)
<u>OTHER FINANCING SOURCE</u>			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
Federal Grants Capital Projects Fund .....	--	335	335
TOTAL OTHER FINANCING SOURCE .....	--	335	335
TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND .....	<u>\$ 36,660</u>	<u>\$ 25,595</u>	<u>\$ (11,065)</u>



CITY AND COUNTY OF HONOLULU  
**LEASEHOLD CONVERSION FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 810	\$ 664
Total Asset .....	<u>\$ 810</u>	<u>\$ 664</u>
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Deferred revenue .....	\$ 641	\$ 577
Total Liability .....	<u>641</u>	<u>577</u>
Fund Balance:		
Unreserved - undesignated .....	<u>169</u>	<u>87</u>
Total Fund Balance .....	<u>169</u>	<u>87</u>
Total Liability and Fund Balance .....	<u>\$ 810</u>	<u>\$ 664</u>

CITY AND COUNTY OF HONOLULU  
**LEASEHOLD CONVERSION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest .....	\$ --	\$ 3	\$ 3
Other .....	--	79	79
	<hr/>	<hr/>	<hr/>
Total Revenue .....	--	82	82
Unreserved - Undesignated Fund Balance - July 1 .....	45	87	42
	<hr/>	<hr/>	<hr/>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 45</u>	169	<u>\$ 124</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		<hr/> --	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		169	
Reserved for Encumbrances - June 30 .....		<hr/> --	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 169</u>	

CITY AND COUNTY OF HONOLULU  
**LEASEHOLD CONVERSION FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments .....	\$ --	\$ 3	\$ 3
OTHER MISCELLANEOUS:			
Other:			
Sundry Realizations .....	--	<u>79</u>	<u>79</u>
 TOTAL LEASEHOLD CONVERSION FUND REVENUES .....	 <u>\$ --</u>	 <u>\$ 82</u>	 <u>\$ 82</u>

CITY AND COUNTY OF HONOLULU  
 REVOLVING FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2002	2001
<b><u>ASSETS</u></b>					
Cash and investments:					
With Treasury .....	\$ 1,520	\$ 224	\$ 263	\$ 2,007	\$ 1,997
Inventories - Municipal Stores .....	--	--	11	11	24
Total Assets .....	<u>\$ 1,520</u>	<u>\$ 224</u>	<u>\$ 274</u>	<u>\$ 2,018</u>	<u>\$ 2,021</u>
<b><u>LIABILITY AND FUND BALANCES</u></b>					
Liability:					
Checks payable .....	\$ --	\$ --	\$ 2	\$ 2	\$ 2
Total Liability .....	<u>--</u>	<u>--</u>	<u>2</u>	<u>2</u>	<u>2</u>
Fund Balances:					
Reserved for encumbrances .....	--	--	31	31	1
Unreserved - undesignated .....	<u>1,520</u>	<u>224</u>	<u>241</u>	<u>1,985</u>	<u>2,018</u>
Total Fund Balances .....	<u>1,520</u>	<u>224</u>	<u>272</u>	<u>2,016</u>	<u>2,019</u>
Total Liability and Fund Balances ...	<u>\$ 1,520</u>	<u>\$ 224</u>	<u>\$ 274</u>	<u>\$ 2,018</u>	<u>\$ 2,021</u>

CITY AND COUNTY OF HONOLULU  
**REVOLVING FUNDS**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2002	2001
Revenue:					
Miscellaneous:					
Other .....	\$ --	\$ --	\$ 34	\$ 34	\$ 72
Total Revenue .....	--	--	34	34	72
Expenditure:					
Current:					
General government .....	3	--	34	37	62
Total Expenditure .....	3	--	34	37	62
Revenue over (under) Expenditure ....	(3)	--	--	(3)	10
Fund Balances - July 1 .....	1,523	224	272	2,019	2,009
Fund Balances - June 30 .....	<u>\$ 1,520</u>	<u>\$ 224</u>	<u>\$ 272</u>	<u>\$ 2,016</u>	<u>\$ 2,019</u>

CITY AND COUNTY OF HONOLULU  
IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND  
BALANCE SHEET  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash and investments:		
With Treasury .....	\$ 929	\$ 931
Receivables:		
Special assessments - current .....	535	536
Special assessments - deferred .....	<u>1,724</u>	<u>2,025</u>
Total Assets .....	<u>\$ 3,188</u>	<u>\$ 3,492</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured .....	\$ 4	\$ 4
Bonds payable - matured .....	5	5
Due to other fund:		
Capital Projects Fund .....	108	129
Deferred revenue .....	<u>1,724</u>	<u>2,025</u>
Total Liabilities .....	<u>1,841</u>	<u>2,163</u>
Fund Balance:		
Reserved for debt service .....	<u>1,347</u>	<u>1,329</u>
Total Fund Balance .....	<u>1,347</u>	<u>1,329</u>
Total Liabilities and Fund Balance .....	<u>\$ 3,188</u>	<u>\$ 3,492</u>

CITY AND COUNTY OF HONOLULU  
**IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
Revenues:		
Special assessments .....	\$ 440	\$ 445
Miscellaneous:		
Interest .....	181	212
Other .....	<u>4</u>	<u>11</u>
Total Revenues .....	<u>625</u>	<u>668</u>
Expenditures:		
Special assessment bonds:		
Bond principal retirement .....	370	370
Interest charges .....	<u>129</u>	<u>152</u>
Total Expenditures .....	<u>499</u>	<u>522</u>
Revenues over Expenditures .....	<u>126</u>	<u>146</u>
Other Financing Use:		
Transfers to other fund:		
Capital Projects Fund .....	<u>(108)</u>	<u>(129)</u>
Revenues over Expenditures and Other Use .....	18	17
Fund Balances - July 1 .....	<u>1,329</u>	<u>1,312</u>
Fund Balances - June 30 .....	<u><u>\$ 1,347</u></u>	<u><u>\$ 1,329</u></u>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY IMPROVEMENT BOND FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 18,368	\$ 19,143
Total Asset .....	<u>\$ 18,368</u>	<u>\$ 19,143</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Checks payable .....	\$ 2,516	\$ 1,184
Accounts payable .....	<u>4,474</u>	<u>1,271</u>
Total Liabilities .....	<u>6,990</u>	<u>2,455</u>
Fund Balance:		
Reserved for encumbrances .....	199,010	149,409
Unreserved - undesignated .....	<u>(187,632)</u>	<u>(132,721)</u>
Total Fund Balance .....	<u>11,378</u>	<u>16,688</u>
Total Liabilities and Fund Balance .....	<u>\$ 18,368</u>	<u>\$ 19,143</u>



CITY AND COUNTY OF HONOLULU  
**HIGHWAY IMPROVEMENT BOND FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
Expenditures:		
Capital outlay:		
General government .....	\$ 1,361	\$ 1,323
Public safety .....	5,856	2,505
Highways and streets .....	37,659	32,513
Culture-recreation .....	2,321	--
Utilities or other enterprises .....	<u>11,232</u>	<u>4,685</u>
Total Expenditures .....	<u>58,429</u>	<u>41,026</u>
Other Financing Sources:		
Proceeds of general obligation bonds .....	52,000	51,720
Proceeds of long-term notes .....	1,119	--
Sale of fixed assets .....	<u>--</u>	<u>26</u>
Total Other Financing Sources .....	<u>53,119</u>	<u>51,746</u>
Other Sources over (under) Expenditures .....	(5,310)	10,720
Fund Balance - July 1 .....	<u>16,688</u>	<u>5,968</u>
Fund Balance - June 30 .....	<u><u>\$ 11,378</u></u>	<u><u>\$ 16,688</u></u>

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS CAPITAL PROJECTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 19,096	\$ 16,657
Receivables:		
Accounts .....	--	1,204
Loans .....	41,664	39,648
Intergovernmental .....	1,886	3,685
Due from other fund:		
Capital Projects Fund .....	<u>7</u>	<u>--</u>
Total Assets .....	<u><u>\$ 62,653</u></u>	<u><u>\$ 61,194</u></u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Checks payable .....	\$ 2,944	\$ 472
Accounts payable .....	2,280	2,105
Due to other fund:		
Highway Improvement Bond Fund .....	193	--
Deferred revenue .....	<u>42,797</u>	<u>40,482</u>
Total Liabilities .....	<u>48,214</u>	<u>43,059</u>
Fund Balance:		
Reserved for encumbrances .....	75,063	99,265
Unreserved - undesignated .....	<u>(60,624)</u>	<u>(81,130)</u>
Total Fund Balance .....	<u>14,439</u>	<u>18,135</u>
Total Liabilities and Fund Balance .....	<u><u>\$ 62,653</u></u>	<u><u>\$ 61,194</u></u>

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS CAPITAL PROJECTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
Revenue:		
Intergovernmental .....	\$ 30,505	\$ 56,306
Total Revenue .....	<u>30,505</u>	<u>56,306</u>
Expenditures:		
Capital outlay:		
General government .....	5,388	25,810
Public safety .....	1,901	3,370
Highways and streets .....	8,880	9,490
Sanitation .....	73	--
Health and human resources .....	7,681	1,327
Culture-recreation .....	1,190	1,821
Utilities or other enterprises .....	<u>13,782</u>	<u>12,528</u>
Total Expenditures .....	<u>38,895</u>	<u>54,346</u>
Revenue under Expenditures .....	(8,390)	1,960
Other Financing Source (Use)		
Transfer from other fund:		
Community Development Fund .....	5,029	9,251
Transfer to other fund:		
Housing and Community Development Section 8 Contract Fund .....	<u>(335)</u>	<u>--</u>
Total Other Financing Source (Use) .....	<u>4,694</u>	<u>9,251</u>
Revenue and Other Source over (under)		
Expenditures and Other Use .....	(3,696)	11,211
Fund Balance - July 1 .....	<u>18,135</u>	<u>6,924</u>
Fund Balance - June 30 .....	<u>\$ 14,439</u>	<u>\$ 18,135</u>

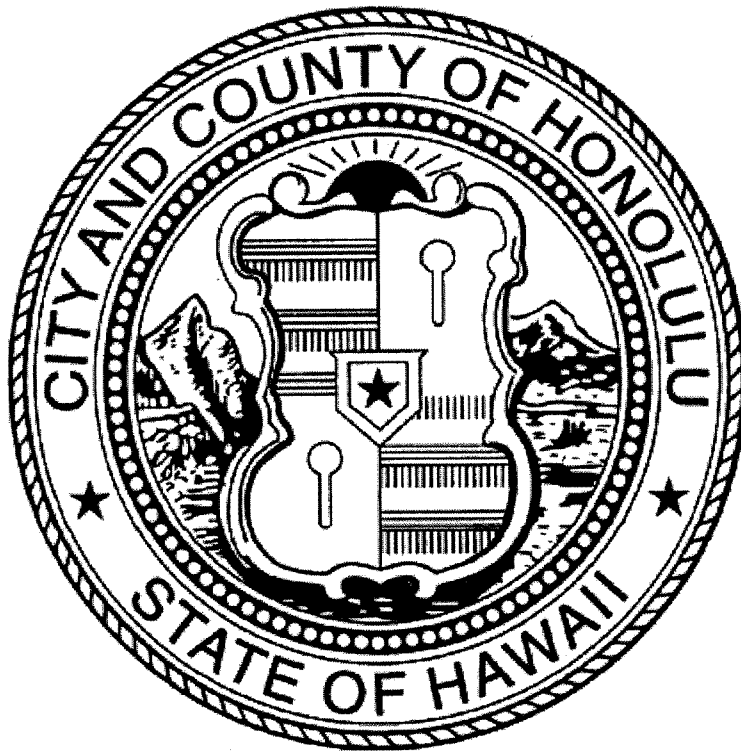
CITY AND COUNTY OF HONOLULU  
**CAPITAL PROJECTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 20,989	\$ 24,471
Due from other fund:		
Improvement District Bond and Interest Redemption Fund .....	<u>108</u>	<u>129</u>
Total Assets .....	<u><u>\$ 21,097</u></u>	<u><u>\$ 24,600</u></u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Checks payable .....	\$ --	\$ 5
Due to other funds:		
Sewer Fund .....	--	227
Federal Grants Capital Projects Fund .....	<u>7</u>	<u>--</u>
Total Liabilities .....	<u>7</u>	<u>232</u>
Fund Balance:		
Reserved for encumbrances .....	12,767	12,782
Unreserved - undesignated .....	<u>8,323</u>	<u>11,586</u>
Total Fund Balance .....	<u>21,090</u>	<u>24,368</u>
Total Liabilities and Fund Balance .....	<u><u>\$ 21,097</u></u>	<u><u>\$ 24,600</u></u>

CITY AND COUNTY OF HONOLULU  
**CAPITAL PROJECTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Amounts in thousands)

	<u>2002</u>	<u>2001</u>
Revenues:		
Miscellaneous:		
Improvement District Assessment Receipts .....	\$ 57	\$ 24
Other .....	1,939	1,581
Total Revenues .....	<u>1,996</u>	<u>1,605</u>
Expenditures:		
Capital outlay:		
General government .....	1,178	--
Public safety .....	122	--
Highways and streets .....	1,072	539
Sanitation .....	43	84
Culture-recreation .....	3,118	3,573
Total Expenditures .....	<u>5,533</u>	<u>4,196</u>
Revenues under Expenditures .....	<u>(3,537)</u>	<u>(2,591)</u>
Other Financing Sources (Uses):		
Transfers from other funds:		
Bikeway Fund .....	215	656
Parks and Playgrounds Fund .....	2,600	4,037
Improvement District Bond and Interest Redemption Fund .....	108	129
Transfers to other funds:		
General Fund .....	(107)	--
Bikeway Fund .....	(327)	(809)
Parks and Playgrounds Fund .....	(2,230)	(463)
Total Other Financing Sources (Uses) .....	<u>259</u>	<u>3,550</u>
Revenues and Other Sources over (under) Expenditures and Other Uses .....	<u>(3,278)</u>	<u>959</u>
Fund Balance - July 1 .....	<u>24,368</u>	<u>23,409</u>
Fund Balance - June 30 .....	<u>\$ 21,090</u>	<u>\$ 24,368</u>

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**STATISTICAL SECTION**  
**(Unaudited)**

TABLE 1

CITY AND COUNTY OF HONOLULU  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
 LAST TEN FISCAL YEARS  
 (Amounts in thousands)  
 (Unaudited)

Fiscal Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Human Resources	Culture - Recreation	Urban Redevelopment and Housing	Utilities or Other Enterprises	Miscellaneous	Capital Outlay	Debt Service	Total
1993	\$ 90,895	\$ 187,068	\$ 28,242	\$ 105,367	\$ 20,441	\$ 56,688	\$ 28,217	\$ 2,758	\$ 107,695	\$ 201,787	\$ 111,907	\$ 941,065
1994	89,942	182,657	27,372	97,028	21,667	57,458	31,255	1,195	125,608	307,841	164,107	1,106,130
1995	92,951	184,192	26,951	101,121	21,182	58,045	34,349	1,971	121,312	179,027	148,252	969,353
1996	85,566	179,951	21,398	95,424	20,913	53,995	36,345	1,441	136,938	192,799	156,915	981,685
1997	90,855	198,288	19,112	91,232	57,838	52,732	4,060	515	132,296	100,428	167,635	914,991
1998	92,734	201,979	18,072	92,257	61,505	53,882	2,849	951	133,851	154,800	183,602	996,482
1999	107,163	197,615	23,872	82,569	65,482	49,674	--	9,685	115,463	143,749	151,781	947,053
2000	101,740	200,782	14,964	455	61,024	50,125	--	20,580	76,581	198,031	145,399	869,681
2001	104,720	217,504	14,976	482	68,986	55,555	--	23,621	75,932	203,714	148,065	913,555
2002	115,314	224,274	15,122	491	64,905	58,410	--	23,793	114,757	257,866	108,933	983,865

Note: Includes expenditures in General, Special Revenue, Debt Service and Capital Projects funds.



TABLE 2

CITY AND COUNTY OF HONOLULU  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
 LAST TEN FISCAL YEARS  
 (Amounts in thousands)  
 (Unaudited)

Fiscal Year	Taxes	Special Assessments	Licenses and Permits	Inter- Governmental	Charges for Services	Miscellaneous			Total
						Reimbursements and Recoveries	Interest	Other	
1993	\$ 478,284	\$ 972	\$ 37,481	\$ 107,499	\$ 113,423	\$ 70,792	\$ 15,417	\$ 41,700	\$ 865,568
1994	490,645	875	39,633	121,106	140,221	98,801	15,240	27,933	934,454
1995	480,967	570	44,985	129,845	142,412	54,414	20,136	29,465	902,794
1996	481,495	551	46,464	123,528	145,963	63,807	20,048	23,914	905,770
1997	480,219	551	46,606	123,275	143,516	67,687	19,702	25,421	906,977
1998	470,385	517	46,483	159,759	146,807	66,446	20,844	22,522	933,763
1999	466,115	537	46,357	130,128	141,828	78,412	16,567	33,231	913,175
2000	461,255	447	55,157	165,189	20,489	97,143	15,098	29,273	844,051
2001	448,986	445	56,266	170,152	20,718	87,264	15,234	22,029	821,094
2002	477,746	440	56,614	145,439	18,482	76,873	10,086	38,659	824,339

Note: Includes revenues in General, Special Revenue, Debt Service and Capital Projects funds.

TABLE 3

CITY AND COUNTY OF HONOLULU  
TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(Amounts in thousands)  
(Unaudited)

Fiscal Year	Real Property Tax	Fuel Tax	Public Service Company Tax	Public Utility Franchise Tax	Total
1993	\$419,092	\$ 44,334	\$ --	\$ 14,857	\$ 478,283
1994	427,534	46,005	--	17,106	490,645
1995	419,113	44,708	--	17,146	480,967
1996	416,987	45,990	--	18,518	481,495
1997	413,844	46,226	--	20,149	480,219
1998	404,415	45,214	--	20,756	470,385
1999	402,827	44,518	--	18,770	466,115
2000	399,115	42,901	--	19,239	461,255
2001	380,098	46,078	--	22,810	448,986
2002	382,449	46,728	24,821	23,748	477,746

TABLE 4

CITY AND COUNTY OF HONOLULU  
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(Amounts in thousands)  
(Unaudited)

Fiscal Year	Assessed Value (a)	Estimated Actual Value	Ratio of Assessed to Estimated Actual Value (b)
1993	\$ 82,576,697	\$ 82,576,697	100 %
1994	86,289,397	86,289,397	100
1995	86,906,884	86,906,884	100
1996	85,753,264	85,753,264	100
1997	85,111,039	85,111,039	100
1998	81,732,984	81,732,984	100
1999	76,628,374	76,628,374	100
2000	71,820,676	71,820,676	100
2001	68,676,199	68,676,199	100
2002	69,671,573	69,671,573	100

(a) Assessed value is at 100% of market value.

(b) Statutory ratio.

Note: With the exception of public service companies, personal property is not taxed in the City and County of Honolulu.

TABLE 5

CITY AND COUNTY OF HONOLULU  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 LAST TEN FISCAL YEARS  
 (Amounts in thousands)  
 (Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collections (a)	Per Cent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Per Cent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Per Cent of Current Levy
1993	\$ 416,025	\$ 415,150	99.8 %	\$ 3,942	\$ 419,092	100.7 %	\$ 9,021	2.2 %
1994	432,730	421,475	97.4	6,059	427,534	98.8	14,710	3.4
1995	425,084	407,700	95.9	11,413	419,113	98.6	12,008	2.8
1996	417,880	404,805	96.9	12,182	416,987	99.8	6,887	1.6
1997	404,248	405,008	100.2	8,836	413,844	102.4	5,663	1.4
1998	392,100	398,975	101.8	5,440	404,415	103.1	7,132	1.8
1999	392,962	396,949	101.0	5,878	402,827	102.5	7,025	1.8
2000	393,000	392,950	100.0	6,165	399,115	101.6	6,638	1.7
2001	374,099	375,668	100.4	4,430	380,098	101.6	5,950	1.6
2002	371,234	377,742	101.8	4,707	382,449	103.0	5,234	1.4

(a) Accrued real property tax receivable less contingencies in escrow.

TABLE 6

CITY AND COUNTY OF HONOLULU  
**REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES**  
 LAST TEN FISCAL YEARS (VALUES IN THOUSANDS)  
 (Unaudited)

(Page 1 of 2)

Fiscal Year	Class of Property	Value of Net Taxable Building	Building Tax Rates Per \$1,000	Value of Net Taxable Land	Land Tax Rates Per \$1,000	Value of Net Taxable Real Property
1993	Improved Residential .....	\$ 8,444,163	\$ 3.92	\$ 33,921,340	\$ 3.12	\$ 42,365,503
	Unimproved Residential .....	41,376	3.92	713,865	3.92	755,241
	Apartment .....	8,135,529	3.52	5,761,158	3.52	13,896,687
	Hotel/Resort .....	2,165,055	9.64	4,019,091	9.64	6,184,146
	Commercial .....	3,551,298	8.51	8,867,694	8.51	12,418,992
	Industrial .....	1,259,852	8.51	4,237,379	8.51	5,497,231
	Agricultural .....	107,957	9.00	816,507	9.00	924,464
	Conservation .....	52,297	9.00	482,136	9.00	534,433
	Total .....	<u>\$ 23,757,527</u>		<u>\$ 58,819,170</u>		<u>\$ 82,576,697</u>
1994	Improved Residential .....	\$ 6,560,908	\$ 3.92	\$ 34,047,049	\$ 3.12	\$ 40,607,957
	Unimproved Residential .....	45,181	3.92	788,287	3.92	833,468
	Apartment .....	11,108,541	3.52	7,389,939	3.52	18,498,480
	Hotel/Resort .....	2,471,454	9.64	4,125,422	9.64	6,596,876
	Commercial .....	3,740,888	8.51	8,801,423	8.51	12,542,311
	Industrial .....	1,332,666	8.51	4,421,073	8.51	5,753,739
	Agricultural .....	111,489	9.00	765,700	9.00	877,189
	Conservation .....	58,303	9.00	521,074	9.00	579,377
	Total .....	<u>\$ 25,429,430</u>		<u>\$ 60,859,967</u>		<u>\$ 86,289,397</u>
1995	Improved Residential .....	\$ 7,177,623	\$ 3.92	\$ 34,903,402	\$ 3.12	\$ 42,081,025
	Unimproved Residential .....	34,684	3.92	870,358	3.92	905,042
	Apartment .....	11,838,425	3.52	7,397,628	3.52	19,236,053
	Hotel/Resort .....	2,348,632	9.64	3,072,740	9.64	5,421,372
	Commercial .....	3,926,877	8.51	8,180,895	8.51	12,107,772
	Industrial .....	1,364,167	8.51	4,573,665	8.51	5,937,832
	Agricultural .....	116,305	9.00	602,838	9.00	719,143
	Conservation .....	54,757	9.00	443,888	9.00	498,645
	Total .....	<u>\$ 26,861,470</u>		<u>\$ 60,045,414</u>		<u>\$ 86,906,884</u>
1996	Improved Residential .....	\$ 7,695,925	\$ 3.92	\$ 34,476,962	\$ 3.12	\$ 42,172,887
	Unimproved Residential .....	40,176	3.92	1,007,570	3.92	1,047,746
	Apartment .....	11,883,537	3.52	7,768,722	3.52	19,652,259
	Hotel/Resort .....	2,241,829	9.64	2,729,852	9.64	4,971,681
	Commercial .....	4,016,803	8.51	7,053,885	8.51	11,070,688
	Industrial .....	1,442,338	8.51	4,285,282	8.51	5,727,620
	Agricultural .....	120,676	9.00	537,103	9.00	657,779
	Conservation .....	73,044	9.00	379,560	9.00	452,604
	Total .....	<u>\$ 27,514,328</u>		<u>\$ 58,238,936</u>		<u>\$ 85,753,264</u>
1997	Improved Residential .....	\$ 8,406,430	\$ 3.92	\$ 34,255,677	\$ 3.12	\$ 42,662,107
	Unimproved Residential .....	43,508	3.92	1,012,525	3.92	1,056,033
	Apartment .....	11,659,514	3.52	7,918,914	3.52	19,578,428
	Hotel/Resort .....	2,045,129	9.64	2,598,091	9.64	4,643,220
	Commercial .....	4,022,314	8.51	6,521,422	8.51	10,543,736
	Industrial .....	1,500,176	8.51	4,161,332	8.51	5,661,508
	Agricultural .....	91,537	9.00	429,454	9.00	520,991
	Conservation .....	70,484	9.00	374,532	9.00	445,016
	Total .....	<u>\$ 27,839,092</u>		<u>\$ 57,271,947</u>		<u>\$ 85,111,039</u>

TABLE 6

CITY AND COUNTY OF HONOLULU  
**REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES**  
 LAST TEN FISCAL YEARS (VALUES IN THOUSANDS)  
 (Unaudited)

(Page 2 of 2)

Fiscal Year	Class of Property	Value of Net Taxable Building	Building Tax Rates Per \$1,000	Value of Net Taxable Land	Land Tax Rates Per \$1,000	Value of Net Taxable Real Property
1998	Improved Residential .....	\$ 8,654,984	\$ 3.92	\$ 31,966,315	\$ 3.12	\$ 40,621,299
	Unimproved Residential .....	40,156	3.92	917,495	3.92	957,651
	Apartment .....	10,949,973	3.52	7,481,771	3.52	18,431,744
	Hotel/Resort .....	2,186,204	9.64	2,584,261	9.64	4,770,465
	Commercial .....	4,140,514	8.51	6,428,698	8.51	10,569,212
	Industrial .....	1,512,774	8.51	3,929,058	8.51	5,441,832
	Agricultural .....	91,367	9.00	371,882	9.00	463,249
	Conservation .....	60,809	9.00	416,723	9.00	477,532
	Total .....	<u>\$ 27,636,781</u>		<u>\$ 54,096,203</u>		<u>\$ 81,732,984</u>
1999	Improved Residential .....	\$ 9,049,562	\$ 3.49	\$ 29,075,124	\$ 3.49	\$ 38,124,686
	Unimproved Residential .....	40,154	4.00	893,991	4.00	934,145
	Apartment .....	9,762,680	3.97	6,497,815	3.97	16,260,495
	Hotel/Resort .....	2,191,901	9.64	2,638,300	9.64	4,830,201
	Commercial .....	4,190,660	8.88	5,939,935	8.88	10,130,595
	Industrial .....	1,590,950	8.62	3,779,419	8.62	5,370,369
	Agricultural .....	92,320	9.00	398,599	9.00	490,919
	Conservation .....	62,262	9.00	424,699	9.00	486,961
	Total .....	<u>\$ 26,980,489</u>		<u>\$ 49,647,882</u>		<u>\$ 76,628,371</u>
2000	Improved Residential .....	\$ 9,230,152	\$ 3.65	\$ 27,176,656	\$ 3.65	\$ 36,406,808
	Unimproved Residential .....	41,303	4.66	760,369	4.66	801,672
	Apartment .....	8,770,891	4.49	5,583,553	4.49	14,354,444
	Hotel/Resort .....	2,181,039	9.96	2,495,333	9.96	4,676,372
	Commercial .....	4,376,172	9.25	5,349,767	9.25	9,725,939
	Industrial .....	1,592,304	9.39	3,336,296	9.39	4,928,600
	Agricultural .....	94,231	9.89	350,930	9.89	445,161
	Conservation .....	65,278	9.25	416,402	9.25	481,680
	Total .....	<u>\$ 26,351,370</u>		<u>\$ 45,469,306</u>		<u>\$ 71,820,676</u>
2001	Improved Residential .....	\$ 9,315,911	\$ 3.65	\$ 25,898,762	\$ 3.65	\$ 35,214,673
	Unimproved Residential .....	40,789	4.66	690,343	4.66	731,132
	Apartment .....	8,460,667	4.49	5,119,280	4.49	13,579,947
	Hotel/Resort .....	2,068,493	9.96	2,358,990	9.96	4,427,483
	Commercial .....	4,370,036	9.25	4,876,112	9.25	9,246,148
	Industrial .....	1,562,797	9.39	2,997,584	9.39	4,560,381
	Agricultural .....	88,643	9.89	318,530	9.89	407,173
	Conservation .....	77,821	9.25	431,440	9.25	509,261
	Total .....	<u>\$ 25,985,157</u>		<u>\$ 42,691,041</u>		<u>\$ 68,676,198</u>
2002	Improved Residential .....	\$ 10,066,199	\$ 3.65	\$ 26,533,079	\$ 3.65	\$ 36,599,278
	Unimproved Residential .....	41,985	4.66	428,191	4.66	470,176
	Apartment .....	8,480,325	4.21	5,038,002	4.21	13,518,327
	Hotel/Resort .....	2,121,627	9.96	2,435,463	9.96	4,557,090
	Commercial .....	4,361,423	9.25	4,798,891	9.25	9,160,314
	Industrial .....	1,581,298	9.39	2,838,754	9.39	4,420,052
	Agricultural .....	74,443	9.89	227,205	9.89	301,648
	Conservation .....	73,224	9.25	352,070	9.25	425,294
	Public Service .....	55,219	0.00	164,175	0.00	219,394
	Total .....	<u>\$ 26,855,743</u>		<u>\$ 42,815,830</u>		<u>\$ 69,671,573</u>

Notes: (1) Assessed value is at 100% of market value.  
 (2) There are no overlapping property tax rates in the City and County of Honolulu.

TABLE 7

CITY AND COUNTY OF HONOLULU  
**SPECIAL ASSESSMENT COLLECTIONS**  
 LAST TEN FISCAL YEARS  
 (Amounts in thousands)  
 (Unaudited)

Fiscal Year	Current Assessments Due	Current Assessments Collected (a)	Ratio of Collections to Amount Due	Total Outstanding Current and Delinquent Assessments
1993	\$ 817	\$ 1,019	125 %	\$ 6,632
1994	843	1,081	128	5,551
1995	518	674	130	5,314
1996	472	704	149	4,951
1997	453	553	122	4,397
1998	449	611	136	3,999
1999	436	558	128	3,437
2000	419	442	105	2,995
2001	423	483	114	2,561
2002	419	497	119	2,259

(a) Includes prepayments.

TABLE 8

CITY AND COUNTY OF HONOLULU  
RATIO OF DIRECT BONDED DEBT  
LAST TEN FISCAL YEARS  
(Unaudited)

Fiscal Year	Resident Population As of July 1 (a)	Assessed Value (b) (thous. \$)	Direct Bonded Debt (c) (thous. \$)	Ratio of Direct Bonded Debt to Assessed Value	Direct Bonded Debt Per Capita
1993	870,348	82,576,697	912,630	1.1	1,048.58
1994	878,591	86,289,397	1,122,894	1.3	1,278.06
1995	881,399	86,906,884	1,078,373	1.2	1,223.48
1996	883,443	85,753,264	1,132,844	1.3	1,282.31
1997	886,711	85,111,039	856,596	1.0	966.04
1998	886,909	81,732,984	870,856	1.1	981.90
1999	878,906	76,628,374	978,576	1.3	1,113.40
2000	875,670	71,820,676	987,147	1.4	1,127.30
2001	881,295	68,676,199	1,103,082	1.6	1,251.66
2002	(d)	69,671,573	1,309,395	1.9	1,485.76 (e)

(a) Figures for 1993-2001 estimated U.S. Bureau of Census, 1980 Census of Population-Characteristics of the Population-Number of Inhabitants Hawaii PC80-1-A13 (October 1981), table 2 and 1990 Census of Population and Housing-Summary Population and Housing Characteristics Hawaii, 1990 CPH-1-13 (August 1991), table 2; U.S. Census Bureau, Census 2000 Redistricting Data (P.L. 94-171) Summary File (March 19, 2001); and the U.S. Census Bureau, Federal-State Cooperative Program for Population Estimates and appear in the State of Hawaii Data Book 2001.

(b) See Table 4, Assessed Value.

(c) Excludes non-tax supported debt.

(d) Not available.

(e) Based on 2001 resident population.

TABLE 9

CITY AND COUNTY OF HONOLULU  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 June 30, 2002  
 (Amounts in thousands)  
 (Unaudited)

Gross Assessed Valuation of Real Property, January 31, 2001 .....		\$ 84,452,632
Less Exempt Valuation .....		<u>13,699,887</u>
Assessor's Net Taxable Valuation .....		70,752,745
Less Valuation on Appeal .....		<u>2,162,345</u>
Taxpayers' Valuation .....		68,590,400
Add 50 Percent of Valuations on Appeal .....		<u>1,081,173</u>
Net Assessed Valuation of Real Property for Rate Purposes .....		<u>\$ 69,671,573</u>
Debt Limit - 15 Percent of Net Assessed Valuation .....		\$ 10,450,736
Less Funded and Other Indebtedness:		
General Obligation Bonds .....	\$ 1,736,673	
Notes Payable .....	<u>95,030</u>	
Gross Funded and Other Indebtedness .....		\$ 1,831,703
Less Exclusions: (a)		
General Obligation Bonds Issued for H-POWER Facility .....	143,500	
General Obligation Bonds Issued for Housing Developments .....	<u>123,313</u>	
General Obligation Bonds Issued for Solid Waste Projects .....	72,781	
General Obligation Bonds Issued for Sewer Projects .....	<u>87,684</u>	
State of Hawaii Notes Payable Issued for Sewer Projects .....	90,411	517,689
Net Funded and Other Indebtedness .....		<u>1,314,014</u>
Legal Debt Margin .....		9,136,722
Less General Obligation Debt Authorized for Issuance:		
1. Authorized by Ordinance No. 96-39 .....	23,646	
Less Previously Issued .....	<u>23,360</u>	
Amount Not Yet Issued .....		286
2. Authorized by Ordinance No. 98-29 .....	181,325	
Less Previously Issued .....	<u>176,952</u>	
Amount Not Yet Issued .....		4,373
3. Authorized by Ordinance No. 99-28 .....	135,563	
Less Previously Issued .....	<u>131,459</u>	
Amount Not Yet Issued .....		4,104
4. Authorized by Ordinance No. 00-24 .....	214,697	
Less Previously Issued .....	<u>79,638</u>	
Amount Not Yet Issued .....		135,059
5. Authorized by Ordinance No. 01-27 .....	366,314	
Less Previously Issued .....	<u>4,554</u>	
Amount Not Yet Issued .....		361,760
Total Amount Authorized Not Yet Issued .....		<u>505,582</u>
Net Legal Debt Margin .....		<u>\$ 8,631,140</u>



TABLE 10

CITY AND COUNTY OF HONOLULU  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 JUNE 30, 2002  
 (Amounts in thousands)  
 (Unaudited)

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City and County of Honolulu</u>	<u>City and County of Honolulu's Share of Debt</u>
City and County of Honolulu	\$1,314,014	100 %	\$ 1,314,014
Total Direct and Overlapping Debt			\$ 1,314,014

Note: Excludes non-tax supported debt.

TABLE 11

CITY AND COUNTY OF HONOLULU  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
 FOR GENERAL BONDED DEBT  
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
 LAST TEN FISCAL YEARS  
 (Amounts in thousands)  
 (Unaudited)

Fiscal Year	GENERAL OBLIGATION DEBT			Total General Governmental Expenditures (b)	Ratio Debt Service to General Governmental Expenditures
	Principal	Interest (a)	Total Debt Service		
1993	\$ 41,943	\$ 66,465	\$ 108,408	\$ 941,065	11.5 %
1994	87,225	74,098	161,323	1,106,130	14.6
1995	54,431	87,114	141,545	969,353	14.6
1996	64,765	89,464	154,229	981,685	15.7
1997	72,782	92,385	165,167	914,991	18.1
1998	88,928	91,931	180,859	996,482	18.1
1999	66,342	82,567	148,909	947,053	15.7
2000	67,491	75,367	142,858	869,681	16.4
2001	68,715	77,382	146,097	913,555	16.0
2002	26,151 (c)	80,766	106,917	983,865	10.9

(a) Includes interest on general obligation bond anticipation notes.

(b) See Table 1, Total Expenditures.

(c) The Tax Exempt Commercial Paper (TECP) dated 7/12/01, 8/8/01, and 5/2/02 partially refunded in advance of maturity \$28,382,550 of the April 1, 1993 Series "B"; the November 1, 1995, Series "A" of \$5,000.00, the November 1, 1997, Series "B" of \$4,671.00, the November 1, 1997, Series "C" of \$11,365,787.00; and the June 1, 1992, Series One of \$3,159,926.00 respectively.

The December 5, 2001, Series "C" partially refunded in advance of maturity the Tax Exempt Commercial Paper of 6/28/01, 7/12/01, 8/8/01 amounting to \$40,400,000.00.

TABLE 12

CITY AND COUNTY OF HONOLULU  
**SCHEDULE OF REVENUE BOND COVERAGE -**  
**BOARD OF WATER SUPPLY**  
 LAST TEN FISCAL YEARS  
 (Amounts in thousands)  
 (Unaudited)

Fiscal Year	Gross Revenues (a)	Expenses (a)	Net Revenues	Principal	Debt Service Interest	Total	Coverage (b)
1993	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
1994	--	--	--	--	--	--	--
1995	--	--	--	--	--	--	--
1996	110,465	52,426	58,039	--	326	326	178.03
1997	107,201	53,755	53,446	380	979	1,359	39.33
1998	113,230	57,179	56,051	390	964	1,354	41.40
1999	113,256	55,993	57,263	410	948	1,358	42.17
2000	114,313	63,670	50,643	425	930	1,355	37.37
2001	114,164	66,469	47,695	445	911	1,356	35.17
2002	122,728	73,699	49,029	--	4,608	4,608	10.64

Note: The Board of Water Supply issued \$54,400,000 Water System Revenue Bonds on March 5, 2002.

**SCHEDULE OF REVENUE BOND COVERAGE -**  
**DEPARTMENT OF ENVIRONMENTAL SERVICES**  
 LAST TEN FISCAL YEARS  
 (Amounts in thousands)  
 (Unaudited)

Fiscal Year	Gross Revenues (a)	Expenses (a)	Net Revenues	Principal	Debt Service Interest	Total	Coverage (b)
1993	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
1994	--	--	--	--	--	--	--
1995	--	--	--	--	--	--	--
1996	--	--	--	--	--	--	--
1997	--	--	--	--	--	--	--
1998	--	--	--	--	--	--	--
1999	116,096	59,869	56,227	--	8,187	8,187	6.87
2000	132,733	56,834	75,899	--	15,204	15,204	4.99
2001	113,041	66,973	46,068	--	14,034	14,034	3.28
2002	113,810	62,755	51,055	1,172	17,439	18,611	2.74

Note: Wastewater System Revenue bonds, Senior Series, amounting to \$136,020,000 issued on July 15, 2002.

(a) As defined in applicable bond indenture. Expenses are exclusive of provisions for depreciation.

(b) Net revenues divided by total debt service.

TABLE 13

CITY AND COUNTY OF HONOLULU  
DEMOGRAPHIC STATISTICS  
FISCAL YEARS 1992 THROUGH 2001  
(Unaudited)

Fiscal Year	Resident Population as of July 1 (a)	Per Capita Income (b)	School Enrollment (c)	Unemployment Rate (d)
1992	863,959	26,108	151,219	3.0
1993	870,348	26,526	153,039	3.1
1994	878,591	26,776	154,557	4.6
1995	881,399	27,017	126,686	4.6
1996	883,443	27,069	128,209	5.3
1997	886,711	27,748	127,943	5.3
1998	886,909	28,091	126,745	5.4
1999	878,906	28,744	125,579	4.9
2000	875,670	29,960	123,658	3.8
2001	881,295	(e)	(e)	4.1 (f)

(a) See Table 8, Resident Population as of July 1, for fiscal years 1993-2001. Data for fiscal year 1992 appears in the State of Hawaii Data Book 2001.

(b) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Metropolitan Area Personal Income, May 6, 2002 <<http://www.bea.doc.gov/bea/regional/reis/>> accessed May 6, 2002 and calculations by Hawaii State Department of Business, Economic Development & Tourism.

(c) Enrollment figures for 1992-2000 obtained from the State of Hawaii, Department of Business, Economic Development and Tourism (DBEDT), State of Hawaii Data Book, various years. Enrollment include grades kindergarten -12, special education schools, nurseries and upgraded students in special schools. Effective 1994, data excludes UH Laboratory School. Effective 1995, excludes private schools.

(d) Hawaii State Department of Labor and Industrial Relations, Labor Force Data Book (annual), and Internet site <http://www.state.hi.us/dlir/rs/loihi/LFR/LAUS.HTM>> accessed February 27, 2002.

(e) Not available.

(f) Preliminary.

TABLE 14

CITY AND COUNTY OF HONOLULU  
**PROPERTY VALUE, AND CONSTRUCTION**  
 FISCAL YEARS 1993-2002  
 (Unaudited)

Fiscal Year	Non-Residential Construction Value (a) (thous. \$)	Residential Construction (a)			Property Value (b)		
		Single Family	Multi Family	Value (thous. \$)	Commercial (thous. \$)	Residential (thous. \$)	Nontaxable (thous. \$)
		Units	Units				
1993	\$ 638,674	2,730	2,143	\$ 697,720	\$ 38,921,521	\$ 43,120,745	\$ 33,839,028
1994	513,543	1,860	3,418	743,027	44,268,596	41,441,427	34,932,095
1995	636,388	2,815	3,170	803,265	43,422,172	42,986,068	35,579,323
1996	691,087	1,938	1,518	535,843	42,080,028	43,220,635	35,092,835
1997	507,933	1,111	1,756	503,047	40,947,883	43,718,139	33,889,613
1998	412,179	1,359	453	338,130	39,676,502	41,578,950	33,331,715
1999	505,275	1,395	457	335,116	37,082,579	39,058,831	31,766,907
2000	495,780	1,540	589	397,474	34,130,519	37,208,479	30,632,220
2001	518,183	1,719	402	429,860	32,221,134	35,945,804	30,141,991
2002	524,384	1,431	558	467,973	32,176,820	37,069,456	30,161,241

## Data Sources

(a) City and County of Honolulu, Department of Planning and Permitting 's Summary of Building Permits. The residential construction value include permits issued for new, addition or renovation to residential property. The non-residential construction value include permits issued for all other construction, new, addition or renovation other than residential.

(b) Department of Budget and Fiscal Services, Real Property Assessment Division. Commercial values include both land and building for properties zoned for commercial, hotel-apartments, industrial, and agricultural uses.

TABLE 15

CITY AND COUNTY OF HONOLULU  
PRINCIPAL TAXPAYERS  
JUNE 30, 2002  
(Unaudited)

<u>Taxpayer (a)</u>	<u>Type of Business</u>	<u>Gross Assessed Valuation (b)</u> (thous. \$)	<u>Percentage of Total Assessed Valuation</u>
Bishop Estate	Educational trust estate	\$3,706,702	4.39 %
Queen's Medical Center et al	Hospitals; medicine	1,052,578	1.25
GGP Ala Moana LLC	Real estate investment	778,682	0.92
Kyo-Ya Co., Ltd.	Restaurant & bar; retail; hotels	670,045	0.79
Liliuokalani Trust	Provide care for orphans and destitute children in Hawaii	630,227	0.75
James Campbell Corporation	Real estate investment & management	624,286	0.74
Hilton Haw'n Village Jt. Venture	Hotel operations	617,503	0.73
Samuel M. Damon Trust Estate	Real estate management	496,947	0.59
Dole Food Co.	Agriculture; manufacturing; merchandising	437,370	0.52
Pacific Century	Banking	424,897	0.50

(a) Taxpayer's name as recorded in real property records.

(b) Assessed valuation as of October 1, 2000 at 100% of market value.

TABLE 16

CITY AND COUNTY OF HONOLULU  
MISCELLANEOUS STATISTICAL DATA  
JUNE 30, 2002  
(Unaudited)

(Page 1 of 2)

1. Date of Incorporation - April 30, 1907
2. Date First Charter Adopted - July, 1, 1959
3. Form of Government - Executive Branch (Mayor) and Legislative Branch (City Council)
4. Area (sq. mi.) - 604

5. Miles of Roads:
  - Paved - 1,374
  - Unpaved - 7
  - Alleys - less than 5
  - Sidewalks - 738

6. Miles of Sewers:
  - Storm - 684
  - Sanitary (mains) - 1,952
  - Sanitary (laterals) - 589

7. Building Permits:

<u>Year Issued</u>	<u>No. of Permits Issued</u>	<u>Value of Permits</u>
1992	17,037	\$ 1,385,056,704
1993	17,308	1,250,153,038
1994	16,927	1,424,891,175
1995	18,258	1,228,982,564
1996	16,093	1,063,827,218
1997	14,227	934,183,266
1998	13,886	798,720,326
1999	14,107	928,834,249
2000	13,151	891,567,126
2001	13,146	951,944,325

8. Fire Protection (6/30/02):
  - Number of Stations - 44 (a)
  - Number of Employees - 1,139

9. Police Protection:
  - Number of Stations - 13
  - Number of Employees 6/30/02 - 2,457
  - Number of Reported Part I Offenses (2001) - 48,480
  - Number of Reported Part II Offenses (2001) - 66,523

10. Recreation:
  - Number of Parks and Recreational Areas - 288
  - Number of Beach Access/Rights-of-Ways - 87
  - Number of Traffic Related Landscaped Areas - 94
  - Number of Botanical Gardens - 5
  - Number of Municipal Golf Courses - 6
  - Number of Zoological Parks - 1
  - Number of Recreation Buildings - 91
  - Number of Gymnasiums - 24
  - Number of Swimming Pools - 19

TABLE 16

CITY AND COUNTY OF HONOLULU  
**MISCELLANEOUS STATISTICAL DATA**  
 JUNE 30, 2002  
 (Unaudited)

(Page 2 of 2)

10. Recreation: (continued)		
Number of Baseball Fields	-	34
Number of Softball Fields	-	161
Number of Basketball Courts	-	222
Number of Tennis Courts	-	179
Number of Volleyball Courts	-	173
Number of Soccer Fields	-	81
11. Board of Water Supply (6/30/02):		
Number of Active Services	-	159,362
Annual Water Consumption	-	52,404,683,000 Gallons
Pumping Capacity - Million Gallons Per Day	-	170.6 (Metropolitan System only)
Miles of Water Mains	-	1,960.1
12. Number of Street Lights	-	44,093
13. Employees (6/30/02):		
Civil Service, Permanent and Temporary	-	8,425
Exempt	-	337 (b)
14. Elections (2000): (c)		
Number of Registered Voters	-	637,349
Number of Votes Cast in Last General Election	-	371,033
Percentage of Registered Voters Voting in Last General Election	-	58.2%
15. Population:		
Resident Population (Census): (c)		
1960 -	500,409	
1970 -	630,528	
1980 -	762,565	
1990 -	836,231	
2000 -	876,156	
16. Retail Sales (In Millions): (d)		
1993	12,125.0	
1994	13,016.7	
1995	13,445.2	
1996	14,358.9	
1997	14,999.0	
1998	(e)	
1999	(e)	
2000	(e)	
2001	(e)	
2002	(e)	

(a) Includes one fireboat and one aircraft station.

(b) Excludes personal service contracts.

(c) State of Hawaii, Department of Business, Economic Development and Tourism (DBEDT) and appear in State of Hawaii Data Book 2001.

(d) Bank of Hawaii, Annual Economic Report, Vol. 48.

(e) Information no longer provided.



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